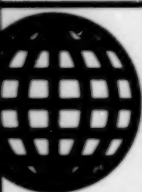


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**WORLD ECONOMY &
INTERNATIONAL RELATIONS**

No 1, January 1989

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[The following is a translation of the Russian-language monthly journal *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENiya* published in Moscow by the Institute of World Economy and International Relations of the USSR Academy of Sciences. Refer to the table of contents for a listing of any articles not translated]

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**World Economics & International Relations No 1,
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English Summary of Major Articles

18160006a Moscow *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA* in Russian
No 1, Jan 88 pp 158-159

[Text] V. Studentsov in his article "Shifts in Public Control and an Economic Role of the State" summarizes, as it were, discussion of the relations between public control and private enterprise in the capitalist countries. The author notes that the participants in the discussion were unanimous in their view that public control in the economic sphere has undergone profound changes in recent years. At the same time he points to a novel character of views about and approaches to the causes which generate changes in market economies. For instance, there is no agreement about the role of objective and subjective factors which govern state interference in market relations of the impact of privatization on the overall economic development. The most acute controversies center around the problem of socialization, its various manifestations and possible impact on the role of governments. Likewise, the issue of nationalization received close attention; both positive and negative aspects of this phenomenon were reviewed in greater scope and dimensions. Equally high on the agenda was an analysis of the political mechanisms of capitalist society which provide the necessary institutional framework for public control.

Obviously, many issues remained unanswered in the course of the discussion. How far can the state go in its control over the economy? What is the economic nature of taxes and subsidies? What is the actual role of political institutions and processes in shaping the economic policies of capitalist states? An answer to these and many other issues will undoubtedly enhance our understanding of the phenomena which are currently visible across the board in the capitalist world.

The article of M. Petrovskaya "American Mass Consciousness and Militarism" reviews important indicators and criteria of the public reaction to militarism and its various manifestations. The author thoroughly examines the attitudes of Americans to the army, war, defense budget and other factors which are instrumental in shaping militaristic mentality. An in-depth analysis covers the evolution of US army and the conditions in which it originated, as compared with Europe. The initial public attitudes to the military changed drastically after World War II when the tensions between the imperatives

of the military establishment and the American liberal society became more acute. Relying on numerous American sources, the author points out that it was during that period that the tendency towards greater militarization of society became more pronounced. The emergence of the military-industrial complex, the advent of the militaristic culture and philosophy contributed to the cold war and aggravation of international tensions. The Vietnamese trauma seriously undermined the authority of the civil administration and the military establishment. Equally significant changes took place in the minds of the Americans in their attitude towards war, particularly a nuclear one.

Therefore, concludes the author, there are deep-rooted cultural and historical conditions in the United States which may promote further evolution of public consciousness, with due account of the realities of the nuclear age.

The link between the availability of energy resources and international security is an important political issue of today. In his article "The World Energy Situation and International Security", A. Nikiforov shows that an access to and availability of energy resources have become a top priority of domestic and foreign policies of all states. Besides, there is a growing public awareness that the unabated development of the energy industry worldwide at its present pace pushes mankind to the brink of an ecological catastrophe. The author analyzes the technological aspect of a comprehensive system of international security and, reviewing the links between the world energy situation and international politics, outlines three major factors—i.e., the reliance of most nations on limited number of energy resources (oil, for instance), extensive world trade in energy resources, and the development of the nuclear power industry which is fraught with danger of the proliferation of nuclear arms. Specific emphasis is laid on the quest for new approaches to the global energy problem. Particularly instrumental in this case may become the principle of reasonable sufficiency and the introduction of new energy technologies: they will ensure a safer world to live in. Energy conservation measures, higher efficiency of the existing power-generating capacities, renewable sources of energy and new types of energy storage systems offer a sound alternative to the nuclear power industry the continued development of which may lead to unpredictable economic, ecological and international political consequences.

"Socialism: the Choice of a World Economic Strategy" written by A. Kunitsin offers a detailed review of the current economic processes in the socialist countries which, unlike other regions of the world, remain somewhat isolated from the rest of the world economy and are looking forward to expanding their relations with other nations, with due account for their economic security. Internationalization of national costs of production, expanded competition for goods and services, greater economic integration and specialization are the major

worldwide phenomena today. Therefore, isolationism leads to sluggish economic development and weakens the international positions of the countries concerned. Foreign credits and exports of fuel cannot any longer provide the required amounts of hard currency needed by the Soviet Union. In the author's view, it can be attracted by small subcontractors, cooperatives and through other channels due to the democratization of the country's foreign economic activity. Proceeding from his analysis, the author suggests three possible variants of the future economic strategy of the USSR and its CMEA partners. The first, optimistic one provides for intensive integration of the socialist community in the world economy on the basis of accelerated accumulation of hard currency reserves. The second, pessimistic variant rests on the preservation of the existing pattern of the socialist involvement in the world economy. The third or compromise scenario seems more probable and its actual content will depend on the balance between reform-oriented and conservative elements of domestic policies. Hence, the priority task of the CMEA countries is to accelerate the processes of *perestroika* and to ensure the advance of socialism. This is the only possible way towards the realization of the first and most desirable scenario that will uplift the overall economic development of socialism.

"The Restructuring of International Relations—Ways and Approaches" is a dialogue between V. Lukin and A. Bovin about the possible evolution of international relations and a new type of political thinking. The main issues of international relations and world politics have long surpassed the framework of relations between the states and become truly international problems, involving numerous and various forces. Politization of social relations in all spheres of life is clearly visible across the board. The world today should not be regarded as a two-dimensional structure: it is a complex multi-dimensional organism the functioning of which is often underlined by covert and intricate processes. Particularly relevant in this case are geopolitical factors, since they reflect important features of the international life. Another development that looms large on the world horizon is the emergence of a global consciousness that accords the highest priority to common human values. What are the possible models of the future of mankind? How should the concept of convergence be understood in our running-away world? Is a world government a reality or an utopia? What is the role of ideology in international relations today? These and many other topical issues are extensively discussed in a free manner by the two foremost experts on international relations who, *inter alia*, emphasize the link between the *perestroika* in the Soviet Union and the restructuring of international relations at large.

T. Vorozheikina's article "Nicaragua: Some Peculiarities of Transitional Period" deals with political and economic problems of Nicaragua after the triumph of the Sandinist revolution in 1979. The author explores the

realization of the Sandinist model of political and economic pluralism under the conditions of war and US economic blockade. The article also analyzes the main aspects of the country's economic policy, its evolution and impact on the socio-political situation in the country. The analysis of the situation in Nicaragua helps the author to investigate into the peculiarities of the transitional period and to assess the unique contribution of Nicaragua to the world experience of the revolutionary transformation of society. The ten-year period after the victory of the Sandinist revolution, concludes the author, offers a graphic picture of the most fascinating and dramatic social developments in the Third World countries in the 1980's.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1989

Information on Authors

18160006b Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 1, Jan 89 p 149

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1989

Western Shift From Government Regulation of Economy

18160006c Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 1, Jan 89 pp 5-22

[Article by Viktor Borisovich Studentsov, candidate of economic sciences, senior scientific associate of the USSR Academy of Sciences IMEMO: "Changes in State Regulation and the Economic Role of the State"]

[Text] With V. Studentsov's article we make an interim summation, as it were, of the discussion "State Regulation and Private Enterprise in Capitalist Countries: Evolution of Relations". The article does not, of course, lay claim to the incontestability of all the propositions expressed: the author was a participant in the discussion. It is also understandable that coverage of all the issues raised in the course of the discussion, individual ones particularly, was not to be expected of it—the problem is too multifaceted.

The discussion is by no means over. Nonetheless, it has helped elucidate, it would seem, and in some respects also bring closer the viewpoints of the participants and substantiate new approaches to many important aspects of the problem.

The editors thank all the participants in the discussion.

The discussion "State Regulation and Private Enterprise in Capitalist Countries: Evolution of Relations"¹ continued in the journal for more than a year.

Did the discussion accomplish the tasks confronting it? Yes and no. A number of questions was revealed in a fundamentally new way in the course of the discussion. Those which were part of the discussion agenda directly—the nature and characteristics of individual aspects of the change in state regulation—were elaborated in greater depth than a number of general problems of the theory of the economic functions of the state. This was natural. Expecting a breakthrough in the theoretical analysis of the economic role of the state under capitalism as a result of this generally quite brief discussion would have been premature: it could only be the fruit of longer and, what is of considerable importance, more comprehensive study.

It would seem that the discussion was fruitful. Its positive significance is primarily the fact that in having brought about the confrontation of various viewpoints and having shown the degree of their elaboration and the extent of their support by well-founded arguments it revealed the gaps in theory which need to be filled in as quickly as possible. Also of considerable importance, of course, is the fact that many new ideas and approaches and interesting propositions (often in the form of conjecture and hypothesis), a final assessment of which will be made by the subsequent development of theory and practice, were advanced in the course of the discussion.

Restructuring of State Regulation: Essence and Consequences

A central place in the discussion was occupied by the question of the nature and causes of the restructuring of state regulation in the developed capitalist countries in the 1980's.

The participants in the discussion were unanimous in their recognition of the fact that state intervention has been undergoing very significant changes in recent times. A practically total concurrence of view was observed also in the evaluation of the reasons for this process, the most important of which were deemed by the majority, if not all, to be the unfolding of the new stage of the S&T revolution, increased internationalization and the growth of the negative consequences of the over-bureaucratized and over-regulated state of economic life. Unity was observed also in the interpretation of the changes in government regulation as a kind of attempt to optimize and rationalize the economic system and enhance its flexibility and adaptive potential.

Here the concurrence of opinion on the fundamental aspects of the problem ended.

Even the very content of the processes of rationalization of the economic system was interpreted differently. Some people were inclined to identify it with the optimization of the economic forms and methods of class domination, others viewed what is happening through the prism of an increase in national economic efficiency. Depending on the viewpoint and where the emphasis was put, various arguments were employed and, naturally, several conclusions differing from one another were formulated.

A number of the participants viewed the ongoing processes as temporary and transient and for this reason devoid of fundamental and long-term consequences, others, on the other hand, believed that they mark the onset of some new period in the development of state-monopoly capitalism. Thus it was maintained that at the present time "the entire system of state-monopoly capitalism is being transformed" and "a new model of state-monopoly capitalism, the basis of which is the crisis of state regulation and the crisis of postwar state-monopoly capitalism, is taking shape" (V. Volobuyev). It seems that, owing to its actual or apparent radical nature, this position, as, equally, the attempts of the majority of participants in the discussion to show that the role of the state is, for all that, in some way changing in present-day capitalism, was perceived by some people as a proposition concerning a dismantling of state regulation and state-monopoly capitalism (A. Shapiro).

We can agree, on the whole, with the idea concerning the formation of a new model of state-monopoly capitalism in which the market plays a more active and creative part. Nor did it give rise to objections on the part of the vast majority of the participants. However, for this theoretical proposition to be completely convincing the mainly quantitative characteristics of the parameters of the new model have to be supplemented by qualitative characteristics. It is not as yet entirely clear which qualitative features constitute this model or the other and, to be more specific, beyond what limits the growth of market regulation leads to a new qualitative state of the economy making it possible to speak of the formation of a new model of state-monopoly capitalism.

Nor does the assertion that the traditional character of the instruments of state regulation and an absence of innovations therein testify to the preservation of their former nature appear entirely convincing. It can hardly be said in general that no appreciable changes in the forms and methods, instruments and, consequently, mechanism of state regulation are taking place.

Differences were observed in the evaluation of the role of objective and subjective factors as generators of the present changes in state regulation. The majority of participants in the discussion was inclined to regard these changes as the result of objectively fashioned processes, and not as the subjectively predetermined, volitional act of the conservative governments now in office in the majority of leading capitalist countries. But those who saw the restructuring of state regulation as short-lived, as, equally, those who viewed it exclusively as a tool of an intensification of the domination of the ruling class, emphasize the particular role of the subjective factor.

The question of whether the restructuring of state-monopoly regulation would lead to a strengthening or weakening of the regulatory role of the state and, accordingly, whether the regulatory role of the market would weaken or be strengthened remained a subject of disagreement also.²

The participants in the discussion expressed various viewpoints concerning the changes in the nature of the co-ordination of the market and the state. Some maintained that the regulatory role of the market is strengthening (V. Volobuyev, I. Osadchaya), others, that private-monopoly regulation is strengthening (V. Pankov), which is close, but not the same thing, yet others, that the role of the state is not weakening (A. Kollontay). True, the idea that the market today is far from what it was previously permeated many speeches. A tremendous step forward has been taken in recent decades in the plane of saturation with information and in terms of the scale and strength of direct intra- and intersectoral ties, that is, in the socialization of production.

The conclusion concerning the strengthening of market, as also private-monopoly, regulation, was linked with the privatization and deregulation processes and the shift of the emphasis of state intervention from direct to indirect methods. In turn, the proposition concerning the permanency of the economic role of the state was argued by the stable or even increased scale of the state's redistribution of the social product, although for a number of the authors recognition of this fact resided next door to the assertion concerning the enhanced role of the market or private-monopoly level of regulation.

Many participants in the discussion (A. Agayev, A. Kollontay, D. Kuzin, A. Shapiro) noted the increased coordinating role of the state, the increased manageability of the economy, the increase in the number of levers

of state influence on business and the continued expansion of the state's economic functions. It is unclear to me, however, what specifically the supporters of this viewpoint see as the increase in the number of levers of state regulation. After all, the increase in state influence in some fields has largely merely compensated for its more appreciable weakening in terms of scale in others.

The bluntly formulated proposition concerning the increased manageability of the economy in connection with the restructuring of state regulation gives rise to objections also. The severance of inefficient components of state intervention, the elimination of many elements of parallelism and steps to overcome mutual contradictoriness and over-bureaucratization may undoubtedly increase and, on average, evidently have increased the returns from each individual state undertaking. The integrity, purposefulness and harmoniousness of state-monopoly regulation and, therefore, the returns from it have increased. But has the manageability of the economy increased? Let us dwell on this question in more detail. Manageability of the economy may probably be gauged by means of the correlation of the purposes of state regulation and actions to realize them with results. From these standpoints it is not difficult, it seems to me, to see for oneself that an appearance of the growth of manageability and controllability is created by the fact that the state has "moderated its ambitions" and recognized not only that its policy should be based on the laws of the market but also that the market is the "final arbiter". It is the market, and a competitive market, what is more, which, given the assistance of the state in the stimulation of its strong and adjustment of its weak aspects and the erasure of "imperfections," is rightly seen as the mechanism which most efficiently provides for the ascertainment of social requirements and the shaping of the proportions of social production. Incidentally, the participants in the discussion were practically completely unanimous that the restructuring of state-monopoly regulation has been expressed in the handover (voluntary or forced) to the market, whose competitive aspect has undoubtedly intensified recently, of a number of control functions. For this reason the conclusion concerning the increased manageability of the economy and the extension of the state's economic functions is in need of more profound substantiation.

The growth of the economic power of the state really does sometimes create an illusion of control over the market. Yet market controllability has its limits inherently determined by its nature. The market is not some passive medium blindly obeying outside pressure or orders. It represents a community of subjects of management, each of which has, together with some which are common, its own interests and behavior motives. It is this fact which makes for the existence of limits of state regulation: it works efficiently only where and when it adjusts, but in no event ignores or flouts the motives of market agents. Giving an instruction, imposing a ban, even granting a subsidy do not mean achievement of the

set goal and the desired result. If state measures run counter to the interests of the economic agents, the latter either ignore them or find ways of getting around them.

Erroneous also are the ideas concerning both the free nature of state regulation and about the fact that it always and everywhere brings about a savings of social labor. State intervention is inevitably attended both by outlays and costs and waste. Besides the evolved structure of ownership, it is largely in the costs of regulation, and not only in "technical" impossibility, that the limitations on the adoption of an entire mass of economic decisions from a single center are contained. Even if such possibilities existed, and regulation itself provided for the greater coordination of economic processes than the market, the costs and outlays on regulation would remain a factor limiting centralization.

The state's formulation of substantiated economic decisions demands that source information be obtained concerning the object or process of regulation; practical implementation of the decisions, definite resources (expenditure) on implementation of the regulatory measures themselves and also on supervision of their implementation. Purely administrative methods of regulation attended by extra-economic compulsion and restrictions has to be cheaper, seemingly, than economic methods employing subsidies, tax privileges and so forth. Nothing of the sort. Economic methods may require not more but less expenditure of labor and financial resources inasmuch as they make it possible to economize on supervision and enforcement costs. However, a condition of this is the unerring identification of the interests of the economic agents and adroit reliance on them or adjustment for the purpose of accomplishment of the tasks of state regulation.

Expenditure in connection with regulation is borne not only by the state, that is, whatever agent is doing the regulating, but also by those being regulated—the employers. Business has to bear the expenditure on compliance with state orders and standards and maintain the extra staff of lawyers and office personnel keeping an eye on compliance with these orders and furnishing the state authorities with the necessary statistical accounts.

The state is not in a position to control all parameters of the market process in connection with the fact that the gathering, systematizing and processing of economic data, the adoption of well-founded decisions and their implementation require incredible efforts. In addition, beyond certain limits the growth of state regulation does not so much control as suppress the market, imposing on it an additional costs burden. It was evidently state intervention, which was growing up to the end of the 1970's, which led to such consequences.

More, the state, like other economic agents, is not insured against mistakes and blunders. Strictly speaking, they are inevitable inasmuch as the prospects of socio-economic development are never completely known,

and it is also impossible to foresee to the full extent the consequences of the reaction of the economic agents to the actions of the state. A very high price connected both with the scale of the state's actions and with the economic decision-making mechanism, which is bureaucratic by its very nature, frequently has to be paid, as Yu. Kochevkin noted in the course of the discussion, for the economic mistakes of the state. For this reason decentralization and the entrusting of responsibility for economic decision-making to the market, functioning under the supervision and with the assistance of the state, could be justified from the viewpoint of a saving of social labor. Controlling the most important parameters of the market, the state in this case proves capable of "tuning" it such that the nature of the behavior of the economic agents is, some, possibly even the most important, respects correspond to as it would have it. If manageability of the economy is interpreted thus, it has, evidently, indeed increased in the 1980's.

Socialization and Ownership Relations

On no question, perhaps, did the participants in the discussion display such unanimity as in their evaluation of the fact that the processes unfolding in state regulation do not testify to a lessening of the degree of socialization. On the contrary, directly or indirectly the idea slipped through in a number of speeches that the restructuring thereof has been engendered by an increased level of socialization.

The problem of relations between socialization and the change in the form of ownership has largely been posed anew. For a long time the socialization of capitalist private ownership was interpreted exclusively as a process of the development of joint-stock ownership and expansion of the range of state ownership. Given this approach, state ownership seemed the sole possible next level of socialization compared with socialization within the framework of joint-stock companies. The proposition that a rise in the level of socialization of ownership does not necessarily presuppose a change in the forms thereof was formulated in the course of the discussion, however (I. Osadchaya, R. Kapelyushnikov, A. Kollontay and others).

Total identification of the legal and economic content of the form of ownership was frequent until recently, and the latter and on the one hand possession and, on the other, sole and absolute plenitude of property rights were equated. However, the form of ownership should be broken down into simpler relations—possession, administration and use—since it is becoming clear that, say, the times of the private form of ownership understood in the literal meaning of the word as a unity of sole and full private possession, private administration and private use are a thing of the past. True, some relations of ownership (possession) have preserved their private character to a greater extent than others (administration and use). Whence it may be concluded that socialization

may encompass both the entire set of ownership relations simultaneously and individual aspects thereof severally and to a varying extent. This, probably, is to what the idea of the participant in the discussion who championed the possibility of the growth of socialization within the framework of the previous forms of ownership amounted.

We would add that the socialization of ownership has two aspects corresponding to two sets of ownership relations. The first—relations of owners of capital (a firm) taken separately, first, between themselves and, second, between them and the workmen hired—represents, if we may so call them, the inner reality and inner circle of ownership relations. The interaction, more precisely, opposition of the subjects both individually and institutionally united in firms, companies and so forth via the market (competition and monopoly) on the one hand and via the state on the other characterizes the external reality; the outer circle of ownership relations. (Where on the market the subjects do not compete between themselves and enter into relations not of rivalry but of cooperation [by means of a variety of financial and production relations], they are in a certain way incorporated in the inner circle of ownership relations)

So the socialization of possession, administration and use could be realized both together, as one, and severally. The first obviously grows with the expansion of the circle of owners of property. Socialization of administration, on the other hand, develops both in connection with the socialization of possession and independently of it. Competition, monopoly⁴, and state regulation are the forms of socialization of administration. Only legal powers, but not economic actions, pertaining to the administration of property are not dependent on the degree of competition (monopolization) of the market. The owner's freedom of action on the market, however, is limited by the actions of other economic agents. The same may be said about state regulation, which may put both direct legal (administrative) and economic limitations on employers' actions. To the extent that socialization with the aid of state regulation is aimed at maintaining and strengthening competitive (or, on the contrary, monopoly) structures, its result is of the same order as and identical to "spontaneous" socialization by way of competition (or monopoly).⁵

Finally, socialization of use (in this case, appropriation of the "fruits" of ownership) on the one hand ensues from the growth of the socialization of possession and administration, on the other, develops in connection with certain forms of state intervention, taxation, for example.

Proceeding from what has been said, we may agree fully with the participants in the discussion who saw the various forms of interaction of capital as forms their socialization.

The participants in the discussion agreed, on the whole, that socialization is also connected with the process of statization in the narrow meaning of the word, that is, with nationalization, not direct but indirect. The linear dependence of the change in forms of ownership on the growth of socialization in the form of transition from private-individual to joint-stock and, further, to the so-called "highest"—state—form of ownership was justifiably called in question (most clearly and cogently by V. Rosin) as simplistic. But if it is wrong to equate the socialization of ownership and nationalization, the reverse—identification of nationalization and socialization—is wrong also. Nationalization does not always entail a higher level of socialization, and nationalized property is frequently socialized more in form and legally. In practice, on the other hand, it could even be less socialized economically than private-capitalist property.

First, as distinct from the rights to private property, shares included, the citizens' rights to state property are largely of a formal nature: the mechanism which would permit them to directly or indirectly exercise the sovereign rights of owner—possession, administration and use—is missing. Of course, the citizen has the opportunity to express his wishes as proprietor by way of casting his vote at elections for the party whose program in respect of the public sector coincides to the greatest extent with his aspirations. However, whether he does so or not, there is still the question of the extent to which in respect of other points his aims and those of his party may diverge. Whatever the case, the exercise by a society's citizens of the rights to state ownership is made dependent on the nature of their participation in the political process. The ownership of state enterprises is, in addition, not simply collective but also undismemberable: each individual citizen is incapable of realizing his rights as proprietor independently and separately from others. Such a possibility is afforded only by titles to property which both have an existence independent of it and which circulate freely on the market, that is, stock or something similar. But state enterprises do not issue such, as is known.

Second, nationalization in the majority of instances means the dropout of enterprises from competition relations and, consequently, blocks socialization by competition. The participation of state enterprises in competition is to a considerable extent formal: the expenditure of labor at them (costs) may in no way correspond to the scale of the demand, and income, not depend on the efforts of the producers. Both are determined wholly merely by the "munificence" of the state. Their actual disappearance from the competitive process leads to any socialization of relations or use (appropriation in the narrow sense) via the market being precluded here. As far, however, as state control over these enterprises is concerned, it also leads to socialization far from always.

The scale and extent of socialization in general, and in the form of state ownership in particular, has at each historical moment its objective boundaries determined

by the degree of development of the social nature of production and the productive forces. Total statization of ownership relations is wholly impossible. Socialization taken to the limit in the form of statization would become its opposite and would mean the total alienation of ownership from the whole population, with the exception of the slimmest stratum of state administrator-officials, and also the complete loss of the direct connection between the efforts of the economic agents and their results. Consequently, both possession and administration and use and, consequently, the adoption of particular economic decisions remain and will continue to be the lot of individual private economic agents. In addition, whether it be a question of private or state ownership, the socialization of administration and use, as, equally, possession, has its limits determined by the capacity of the center for monitoring compliance with its commands and the need for reproduction of the objects of ownership on an independent basis. This means that in some of its aspects (primarily administration and use) even directly socialized ownership will always remain in some respects private.

Nature and Forms of State Ownership Relations

A considerable place in the course of the discussion was occupied by the question of the relations of state ownership, that is, relations of possession, administration and use into which the state enters. Precisely relations, and not the state form of ownership, which means various things, although the latter was, nonetheless, practically wholly and fully at the center of analysis, unfortunately.

The emphasis put in many speeches on the difference between the legal and economic content of ownership relations would seem exceptionally important. True, some of the conclusions reached as the result of attempts to apply this principle in practice appear far from indisputable.

It is difficult for me to agree with the opinion that from the standpoints of appropriation⁶ privatization may be seen virtually as a process of an increase in state ownership. But, after all, it is such a conclusion which could follow from S. Mochernyy's arguments to the effect that an increase in enterprises' profit following their privatization would lead to a growth of budget revenue from increased taxes and could ultimately stimulate compensation (why not supercompensation?) for the state's diminished share of fixed capital.

How on the basis of the above-quoted formula an attempt is made to reveal behind the legal outer casing the economic relations of ownership is arguable also. The state's ownership of fixed capital here is for some reason or other interpreted as its legal form, but taxes, identified with appropriation, as its economic content. In reality the state's ownership of both fixed capital and part of the social product (in the form of taxes) is the legal reality of ownership relations. The ultimate recipients of the resources redistributed by the state are the

latter's economic proprietor, and in accordance with the nature of their appropriation, state ownership could be both socialized and more or less private.

The proposition that privatization processes represent the separation of the proprietor (most likely, ownership—V.S.) state from the function-state, which (separation) is an indicator of the maturity reached by the ownership-state (R. Kapelyushnikov), would seem insufficiently convincing also. What is understood, obviously, by the function-state here is the state's exercise of the function of regulation, and the ownership-state is identified with its role of proprietor and owner of enterprises and property.

This approach is quite contentious, in my view. Dubious primarily is the applicability to the state of the function and ownership concepts, which in respect of capital have an entirely different meaning. But let us allow that use of the "ownership-state" and "function-state" concepts is legitimate. What, then, one wonders, are the motives of the functioning and mechanisms of the reproduction of the ownership-state? If its goal is self-growth, and on an independent basis, what is more, it is practically identical with capital (ownership or function is no longer that important).⁷ If, however, its goal is to secure the self-growth of capital as a whole and the ownership-state is reproduced via the medium of the whole of capital, it becomes a feature of regulation, that is, the function-state. This is why privatization should be seen as testimony to the security not of the ownership-state but of the function-state and the private-corporate form of the organization of business.

The last thing I would want would be for the above-quoted proposition to give some people the idea that the state is ceasing to be a proprietor. After all, it is obvious that state regulation is determined by nothing other than the state's powers as a proprietor. Indeed, by what right does it levy taxes, impose this restriction or the other and establish the framework of the movement and self-growth of capital? Only by right, evidently, of highest or supreme proprietor.⁸ This is why it would be more correct, evidently, if formulating a proposition concerning separation of the hypostases of the state as function and ownership, first, to speak of the separation of the function-state from the ownership-state, given its retention of certain rights of supreme proprietor, and, second, to attribute this process to the more distant past. Such an economic phenomenon as taxation came into being as a result of separation of the function-state from the ownership-state in just the same way, probably, as interest emerged as the result of separation of function-capital from ownership-capital.

Obviously, the relations of state ownership are not exhausted by the state form of ownership. A description of ownership relations into which the state enters would only be full when all combinations in which it participates in possession, administration and use relations are analyzed. After all, the state is frequently a proprietor,

but entrusts possession to other persons; it administers and regulates without possessing; enters into use relations while not formally participating either in possession relations or administration relations, imposing taxes, for example; and so forth.

Not all is as yet clear, it would seem, concerning the content of the very concept of "state ownership". Who is its subject—the upper stratum of the ruling class, the whole ruling class, society as a whole or individual citizens? Is state ownership the antipode or, perhaps, simply a different reality of private ownership? Is the state always in ownership relations the "supreme proprietor" or sometimes a channel of settlement of the reciprocal claims of economic agents against one another, that is, an instrument of realization of their private-ownership rights or their redistribution? Or, perhaps, the first is not in conflict with the second, and this is the dialectic of the state as a socioeconomic institution? Indeed, are not, say, social transfers (pensions, disability and unemployment benefit and so forth) for large numbers of citizens their property in the full meaning of the word inasmuch as their source is the money which was paid out earlier in the form of taxes and contributions (credited in fact) to the state?

Without going deeper into a further examination of the question of the state form of ownership, it may be considered virtually proven that it may express various economic relations of ownership.

Privatization: Underlying Causes and Results

Considerable numbers of the participants in the discussion touched on questions of privatization (in the narrow meaning of the word as the selling off of state property). This is not surprising, the discussion began with an examination of this problem, after all.

The ambivalence and varying nature of the privatization process in various capitalist countries and its multidimensionality and contradictoriness were revealed in the course of the discussion.

The scale and uniqueness of the process of the state's divestment of its powers were acknowledged by some participants, disputed by others. The latter, specifically, maintained that denationalization "is not yet either broad-based or, even less, unprecedented" (A. Shapiro). The limited nature of the scale of privatization and the active development of mixed state-private enterprises were pointed out here. In my view, the present wave of privatization is unprecedented for a period of the long peaceful development of capitalism. I believe also that the mixed companies emerging as the result, more precisely, in the process of privatization hardly represent a long-term and stable economic institution replacing nationalized firms. In many countries the growth of

mixed enterprise is not a final goal but a byproduct of privatization and a temporary phenomenon predetermined by the complexity of the one-act selling off of large-scale state enterprises.

Some participants in the discussion emphasized particularly the fact that denationalization has been born of motives of a subjective nature (N. Gnatovskaya, V. Zaikina, V. Pankov, V. Peschanskiy). It was maintained that it "is not justified economically and has not been caused by the interests of society," is a "political and ideological act" and is performing primarily a "propaganda and ideological function".

Denationalization was interpreted as an offspring of the will of certain groupings of the ruling class, in which "the state itself should not essentially be interested" (V. Zaikina). This interpretation proceeded from the fact that it tackles no urgent tasks. It was observed that "denationalization and privatization are aimed against the unions, the workers movement and the current and, even more, strategic interests of the working people" (V. Pankov). The latter is, in my view, only partly true. Denationalization and privatization entail a loss of some wage workers by no means because this is the principal intention of such measures. They are largely, if not primarily, the product of an intensification of market processes and competition's invasion of markets which had been artificially protected against it. As far as the transfer of ownership to the state is concerned, it frequently solves no real problems or could, in solving some, create a multitude of others. The fact that the means and implements of labor legally belong to the state by no means signifies that they belong to the direct producers and all citizens of society, and, consequently, neither exploitation or alienation are abolished by the mere act of nationalization but merely change form and are disguised.

The other, preponderant, group of participants in the discussion maintains, while not denying the unpropitious social consequences of privatization for some of the working people, that it is an objectively conditioned phenomenon (R. Kapelyushnikov, Yu. Kochevkin, I. Ovachaya, S. Peregudov, Ya. Pevzner). Although present, the ideological aspect does not play an appreciable part, as a rule. Resistance to it is dictated frequently not by the social but the particular interest of the people working at these enterprises or in these sectors of the economy. The supporters of a critical attitude toward nationalization did not question its objective causes and positive impact on the development of the economy at a particular historical stage but noted that the traditional—statist-bureaucratic (in S. Peregudov's apt expression)—model of state enterprise was characterized by a mass of shortcomings. It was concluded even that the "nationalization" concept had lost its unequivocal nature and was bankrupt as an economic method (Ya. Pevzner). This judgment seems harsh, but there is a considerable portion of truth in it.

An answer was not given in the course of the discussion to the question of the long-term aims and the mission of nationalization and to the extent to which it is realistic and practicable. Yet an evaluation of how objectively conditioned privatization is and whether it represents a logical phenomenon depends on such to a large extent.

It is true that under certain conditions exclusively nationalization alone may prove the means of the temporary and partial solution or, more often than not, simply the removal of the seriousness of certain socio-economic problems. That governments have repeatedly had recourse to it when other regulatory measures would have been perfectly acceptable is another matter. Nationalization has also frequently deflected the interests of the working people more in form than in essence: continued inefficient employment and the granting of people working in the public sector special privileges (not so frequent a phenomenon, however) could not have been permanent. The solution of many purely economic questions also proved beyond the capabilities of nationalization. But then the rational justification for nationalization has chiefly or exclusively been the fact that it "corrects" the market and "cleans up" its imperfections, "patches up holes and tears" and socializes administration. Whence it follows that the justification for state enterprise disappears together with the "setting to rights" of the market, an increase in its reserves of "strength" and an improvement in its self-tuning mechanism.

The supporters of an uncritical approach to nationalization are inclined to see as its "highest meaning" state enterprises' fulfillment of "social obligations" and interpret it here as an entirely positive phenomenon. It may be objected to this that the tasks which confront these enterprises are in many, if not in all, cases accomplishable by means of other forms of the state's participation in the economic process. The fulfillment of "social obligations" may not serve as grounds for nationalization for the added reason that it causes a breach of economic rationality. For the most part, they represent a kind of form of indirect, concealed subsidy, whereby the ultimate recipient of the resources are not the nationalized companies themselves but, via the artificial lowering of ex-factory and overstatement of purchase prices, private companies and the consumers. The expediency of subsidies is dubious in connection with the fact that the scale thereof is not known precisely either to the recipient or the payer, which ultimately is society. As distinct from indirect subsidies, direct subsidies possess the merit of clarity and specific destination: both the recipient and he who pays the subsidy and even those at whose expense it is ultimately effected are aware of who bears these costs and who receives the benefits. Specific destination affords an opportunity for channeling resources more precisely and increasing selectivity. As a result direct subsidies, compared with indirect subsidies, are considerably more economical. This is also conditioned by the fact that some amount of indirect subsidies

does not reach the ultimate recipients but is appropriated by the state enterprises themselves. After all, it is practically impossible to determine the extent to which the losses (or artificially low income) of nationalized companies are explained by their fulfillment of "social obligations" and the extent to which they are explained by insufficiently efficient operation.

Generally speaking, the idea that state enterprises have always been more accountable to society than private enterprises does not correspond to reality. Public control—on the part of the market and the legal proprietors—over state enterprises and also the actions of those to whom the rights of ownership of them have been delegated (by the government and ministries) is in many instances weaker than over private companies, joint-stock companies, at least.

And the final consideration concerning the limited nature and negative effects of nationalization. There is nothing progressive in management of economic activity on behalf of society and at its expense in itself, particularly if it is considered that it is connected not only with the acquisition of profit but losses also. Owing to the uncertainty of the future, economic activity is inconceivable without risk and, consequently, mistakes and blunders, and there is always the "rejection" and "expiration" of unpromising forms of organization and technology in the course of an economy's progressive development. All these processes are attended by losses and the ruin of some enterprises. The state's participation in enterprise profits is economically justified, but not in their economic losses, other than in those extreme cases when keeping the latter "afloat" is dictated by some special considerations. Nationalization used as a "lifeline" for unprofitable private enterprises leads to the loss of the market's potential for self-regulation and an undermining of the perhaps not entirely consummate but uniquely objective mechanism of "natural selection".

The participants in the discussion who were not inclined to exaggerate the changes entailed by privatization were correct, in my view. While selling off its enterprises, that is, transferring the bulk of rights of possession of them to private persons and retaining merely those inherent in it as the supreme proprietor of all national capital, the state reserves the right of administration (administrative-legal regulation) and use (taxation) of the transferred property (such a position was adopted by A. Agreyev, A. Kholostay and S. Peregodov).

It is obvious in this connection that the present process of privatization of state property and state enterprises is not in the full sense the antithesis of nationalization in the form in which this latter was realized in the capitalist countries in the 1940's. In that period, when neither the taxes on entrepreneurial income nor the scale of administrative-legal regulation were comparable with the present levels and when the socialization of private ownership had not gone as far as currently, the legal

change of the private form of ownership or nationalization was most likely the sole possible effective method of socialization. At the present time, however, under the conditions of the developed status of state-monopoly regulation and the increased scale of socialization of private ownership, the boundaries between the private and state forms of ownership have been somewhat blurred, and legal privatization no longer signifies to a large extent economic privatization.

The transfer of the legal rights of ownership and legal title generally is not always underpinned by a change in the economic content of ownership. This applies primarily to state ownership (this was rightly pointed out by S. Mochernyy). The notion of the homogeneity of the legal and economic content of state ownership is wrong. Acquiring various organizational and institutional forms, state ownership acquires various features also. Even state ownership of the social product is heterogeneous. Management has greater opportunities for administering expenditure on state capital investments and also purchases of commodities and services⁹ than on money transfers, which already belong to their recipients, as it were. Different features characterize also state property invested in enterprise activities diverse in terms of status, forms and principles.

In mixed joint-stock companies state capital is a simple appendage of private capital. The state's participation in the ownership of these companies does not posit the task of a change in the aims of their activity, nor could it since private shareholders expect not something different but income on the invested capital. The right of the government as direct proprietor to intervene in their economic decision-making process is used here extremely infrequently and is reserved merely for emergencies, and for this reason the selling off of state shares does not make special changes to their behavior.

The changes which privatization makes to the activity of genuinely, and not formally, independent and self-financing state enterprises of competitive sectors are not great either. Profound integration in the market structures predetermines the fact that their economic behavior is either for motives of economic activity or in respect of the distribution of net income only slightly or not at all different from that of private companies, except for the fact that the state appropriates the income from the property.¹⁰ The market exercises the "highest" control over the activity of these companies, and for this reason a change in the legal relations of ownership in respect of them has no appreciable economic consequences of a macroeconomic nature.

Transition to private hands leads to large-scale changes in the economic content of ownership only given the denationalization of monopoly enterprises, and not all of them, what is more, but only those whose sphere of activity has primordial been noncompetitive ("natural monopolies"). Inasmuch as the discipline of a competitive market is lacking in these sectors, the state is forced

to assume the functions of "social controller" of the companies' activity to guarantee the approximation of their behavior to what is "socially necessary". The privatization of "natural monopolies" modifies ownership relations largely to the extent that it does away with the "social obligations".

It was noted in a whole number of speeches that the resources and potential of nationalization are still not fully exhausted but that its further development is possible merely given the simultaneous solution of problems of economic efficiency and democratization. It cannot be said that these phenomena lie in a single plane. It is possible that a number of participants in the discussion, your author included, provided an excuse for their comprehension in the sense that democratization unconditionally permits the solution of all problems of nationalized enterprises. This is correct, but with one essential clarification—not simply democratization but democratization both "from within" and "from outside". Democratization in the economic sense may very likely be interpreted as a process of the transfer of rights of ownership to a large number of economic agents. But, obviously, democratization of the management of state enterprises "from within" presupposes not only a growth of self-management, that is, the personnel's more active participation in economic decision-making, but also an increase in its powers in respect of the administration and use of the property. In other words, it envisages a decentralization of economic decision making and, evidently, appropriation of a greater amount of the value of the manufactured product by the people working at these same enterprises. Obviously, beyond certain limits such democratization could lead to a growth of the alienation of property from society. At the same time, however, the democratization of the management of them "from outside," that is, by society as a whole, is largely identical to an intensification of centralized control and an increase in society's share of enterprise income and could beyond a certain framework cause the increased alienation of property from the people working at the state enterprises themselves. Only some optimum combination of "internal" and "external" democracy ensures the unity of interests of the workman of the enterprise outfit and society. This means that democratization is an instrument of the genuine socialization of nationalized property where the rights to the latter are guaranteed both the workmen and all other citizens of society (in the form of limitations on and rules of economic activity, taxes and so forth determined by the state). What quantitative and qualitative parameters of distribution of the rights of ownership characterize a mutually acceptable compromise between the interests of the people working at the enterprises and the interests of society is a special question.

State Regulation and the Political Mechanism of the Capitalist Society

Somewhat apart from the main channel of the discussion was the analysis of state regulation and its restructuring through the prism of the interaction of the economic and

political spheres and the mechanism of the formulation of official economic decisions. A study of these questions was most likely approached most closely by A. Agayev, R. Kapelyushnikov and A. Shapiro. We recall that the argument between R. Kapelyushnikov and A. Shapiro turned on the question of the impact of the bureaucracy on the economic policy of the state, while A. Agayev proposed the introduction of the "economic and political mechanism" category.

It would seem that the opinion concerning the need for study of a state's political and administrative arrangement in connection with its economic policy is far from groundless. State regulation and the economic role of the state are the product not only of social and economic conditions but also of the sociopolitical organization of society.¹¹

Modern bourgeois society is based on the formal legal equality of the citizens and universal suffrage. The latter has turned the political struggle into a principal form of economic struggle between the classes, and also within them—between social strata—and increased the relative independence of the state from the class of the bourgeoisie.

Since the state possesses relative independence and its actions express in one way or another social compromise, its economic activity depends on the correlation of class and social forces and the mechanisms of the formation of a compromise of their interests.

The mechanisms of the struggle for the institutions of political power (by means of the struggle for votes) which exist currently do not allow politicians to blindly obey the orders of the capitalists. The history of the postwar decades provides examples of how certain measures of state regulation have been implemented in defiance of the wishes not only of individual groups but also the entire class of capitalists, and these examples cannot be explained by the everyday "social maneuvering" formula, what is more.

Of course, the power of capital, big capital primarily, what is more, makes itself felt even under the conditions of a bourgeois parliamentary republic and universal suffrage. It, specifically, is manifested in various forms of manipulation of the public consciousness, as a result of which the real political choice of the electorate is limited, and votes are cast for the parties and figures which adhere the most to the economic policy pleasing to business.

In addition, even if they themselves do not come from the class of the bourgeoisie and do not share its ideology, the politicians at the helm are forced, owing to the ownership relations which prevail in society and economic pressure, to rely on the bourgeoisie and are the spokesmen for its interests.

A number of speeches in the discussion, however, reflected the current, simplistic and vulgar interpretation, in my view, of the proposition concerning the bourgeois state in its economic hypostasis as a collective capitalist. Examination of each step of the state solely through the prism of manifestation of the function of collective capitalist is methodologically unwarranted inasmuch as it implies, first, its formulation of policy always and everywhere on the basis of some "common" goals of capital and, second, exclusive control over it on the part of the bourgeoisie. In addition, this approach essentially reduces the sum total of social relations and contradictions of capitalism to the opposition and struggle of labor and capital.

The bourgeois state may and does operate as a capitalist by no means because it is such by definition. The state is a particular social institution, a machine alienated from society and personnel. Strictly speaking, the nature of its relative independence has its roots here. Considering it the blind tool of this class or the other is not legitimate inasmuch as in reality the state's actions are always and everywhere the expression of a particular correlation of class and social forces and the interests of the state bureaucracy and, as a rule, a product of compromise. Society is divided not only into classes but also into a multitude of social strata defined by economic, political, social and cultural differences, each of which has its own specific interests. An economic struggle is under way not only between classes but also between these strata and groups, which recruit their members from among the classes. The common interests of this stratum or the other may sometimes even outweigh class interests, and between the strata, at times assume greater seriousness than contradictions between the classes.

Limiting the possibilities of realization of the partial, particular interest of this stratum or the other, the state may also act not as a collective capitalist but as the spokesman for some national interests. Of course, here also we may discern its realization of the class function inasmuch as it is preventing the collapse as a result of internal discord of nothing other than the bourgeois society. However, this "organizer" function of the state is present always and everywhere: what is specifically bourgeois in the capitalist state is merely the fact that it understands social interest as the interest of capitalist society.

Class relations constitute a powerful seam of the increasingly complex social relations, but do not encompass them entirely. And although interaction between the classes makes its mark on practically all social relations, it in many instances determines their form, but not their essence. In just the same way class interests shape merely part of the interests of the citizens of society. Because social relations and the interests of the citizens of the society do not amount wholly to class interests the state frequently acts the part of independent arbiter, and not class organ.

The nature and forms of government and political regime make an appreciable impression on the motives and results of the political behavior of the economic agents. There is emerging in our time for the participants in the political process in capitalist countries the opportunity and temptation to seek particular economic results not only by way of economic activity but also thanks to the use of the economic powers of the state authorities—the imposition of taxes and privileges, the granting of preferences and subsidies and so forth. Each group here, each spokesman for a partial, particular interest attempts to identify defense thereof with the realization of "social interest," although this may have nothing in common with reality. Each social group and stratum endeavors with the help of the state and by means thereof to obtain as large a piece of the "social pie" as possible. Social forces which have direct access to the formulation of official economic policy or which are important politically may win the adoption of decisions to their liking sooner than groupings which are further removed from the centers of decision-making, less organized and, consequently, less politically powerful.

But economic policy is shaped not only under the impact of forces and motives which are "external" in relation to the government and machinery of state. Persons at the helm of power in the capitalist countries are far from always, it would be more accurate to say extremely rarely, guided directly by considerations of realization of the interests of this class (group and so forth) or the other and "social interest". Politicians, state bureaucrats and government officials are primarily preoccupied with the strength of their position, considerations of prestige, status and the acquisition of higher income, an aspiration to go down in history and so forth. Their activity is subordinated to service of the interests of this class or the other only to the extent to which it is a means of achieving their particular aspirations and a result of economic and political pressure.

The interests of bourgeois politicians and top civil servants coincide with the interests of the bourgeoisie in what concerns the preservation of capitalist orders. But the existence of this unity does not mean, obviously, that it is observed everywhere and in everything. Politicians are concerned to secure for themselves support in the masses and could for this reason run in some respects counter to the interests of business circles, if this be a condition of the winning of power (in reality, as already mentioned, they always endeavor to rely on big business to this extent or the other). They are interested in augmenting their power, by way of "buying" votes included, and increasing the number of its attributes, which, in turn, is connected with a growth of government spending. Business circles—not all but those which receive from the state less than they give—have an interest in the "smallest" and "cheapest" government possible, whereas the civil servants, on the other hand, long for "dearer" government to the extent that it is identical to an increase in their numbers and a rise in their prestige and salaries. The employers long for the

removal of restrictions on their activity established by the state, while the civil servants are interested in the reverse for this shores up their economic position and authority.

The position of the politicians and bureaucrats and their opportunities for realization of their particular interests with the aid of the machinery of state differ. Politicians, as elective persons, are to a greater extent than the bureaucrats amenable to political influences and have to orient themselves toward satisfaction of the electorate's interests. As distinct from the politicians, who publicly assume in the course of an election campaign particular commitments, the bureaucrats are not "burdened" by such. They are appointed, and not elected, and are not accountable to the electorate directly and for this reason have greater opportunities for satisfying their own interests at the expense of society. "The bureaucracy has in its possession the state: this is its private property."¹²

In the same way the motive of the activity of people working at state-owned enterprises is not concern for the interests of capital or the "common weal" but personal advantage. Realization of the goals conveyed to the nationalized companies by the government does not always and necessarily coincide with the interest of their managers and personnel and could even be contrary to them. As in private firms, a separation of ownership from management and control is observed here, the result of which could be partial usurpation of the right to administer the property by the managers (this idea was heard in the speeches of Yu. Kochevnikov and S. Peregu-dov).

Affirmation of the existence among politicians, in state administration and among people working in the nationalized sector of their own interests distinct both from the interests of the class of capital and of society and also of the possibility of their partial realization at the expense of the latter does not mean, of course, that the machinery of state is interpreted as machinery of service of their interests. But it is becoming clear that the focus of state regulation is only ultimately determined by objective relations independent of people's will, the state of the productive forces and the motives of the achievement of class or national interests. At each given moment it is subjectively motivated and is the product of a compromise of the interests of various classes and social groups and personal and corporate interests of the political elite and the bureaucratic upper stratum.

Accordingly, the state is not in all its actions a force pursuing realization of the common interest and an agent of socialization and could and does serve the realization of particular interests (both group and individual) also. For this reason a strengthening of its economic positions may not be directly identified with a growth of socialization.

The trend toward a growth in the scale of economic intervention is rooted in the very political system of contemporary capitalism. Politicians, bureaucrats, business and a considerable section of society, including broad strata of the electorate, are for a time interested to a certain extent in an expansion of the redistributive functions of the state. And, furthermore, the new correlation of political and economic forces recorded on each occasion in state regulation is frequently achieved not by way of the cancellation of former statutes adopted under the pressure or to the liking of some social agents (corporations, sectors, regions, classes, strata, groups and so forth) but by means of according others privileges and relief devaluing the measures adopted earlier.¹³ The reason for such actions is that an attempt to take back in manifest form from some people what has been won is a greater threat to a government's popularity than the achievement of the same result in a roundabout way. Owing to the so specific practice of expansion of the redistributive and other regulatory measures of the state, the time eventually comes (and the end of the 1970's-start of the 1980's are testimony to this) when further benefits from them for growing numbers of agents begin to be outweighed by the costs, and the growth of state intervention so deforms the motivational mechanisms that it leads to reduced efficiency and the wheel-spinning of the economy and also increases social contradictions. "Disenchantment" with the state sets in and a movement for limiting its redistributive functions expands. The trends toward the self-limitation of the state's economic role are, consequently, rooted in its very development and also in the growing subordination of the state to the satisfaction of particular interests.

It is a counterreaction to the intensification of state intervention which we are seeing now. It is important to add, in my view, to what was said in the course of the discussion the fact that a task, albeit very remote and as yet impracticable, of the restructuring of state regulation is not simply a change in the proportions in which the state and the market regulate economic life but the partial transference of economic questions beyond the framework of the political struggle and the fixing of boundaries, so to speak, beyond which political pressure cannot exert an influence on economic decision-making.

The problem of the correlation of private and state principles in the modern capitalist economy requires further study. We have to investigate where and in which of its actions the state is a goal-setting, creative force introducing qualitatively new features to economic activity and where it is a passive instrument in the hands of the members of society.

More in-depth cognition of the economic role of the state is attainable, possibly, on the path of discernment therein of qualitatively heterogeneous hypostases: the producer of goods and services; the producer of specific "social benefits" (ensured defense capability, maintenance of law and order, environmental conservation and so forth); a kind of insurance company (in the sense and

to the extent that social payments are in time simply returned to the persons paying the corresponding contributions); redistribution of the social product; regulator of market competitiveness and the intensity of economic conditions; custodian of the monopoly rights to the issuance of paper money. It cannot be precluded that an answer to the questions which remained unsolved in the course of the discussion might be obtained given such an approach.

The time has come to seek more precise answers to a broad range of questions of the economic theory of the state, only some of which were touched on in the course of the discussion. These are primarily the following problems: what determines the optimum boundaries between market and state regulation or, more precisely, between state regulation, competition and monopoly? Where runs the boundary of the "sovereign powers" of the state beyond which its actions begin to damage the economy? In which of its features is state regulation the exponent of elements of socialization and plan-conformity? What is the economic nature of taxes and subsidies? How does the state influence the redistribution of the social product in general, necessary and surplus in particular? What is the actual role of political institutions and processes in the shaping of the economic policy of the capitalist state? It cannot be said that the answers to these and many other questions are now a secret concealed behind seven seals. However, appreciable clarification at least needs to be made to many of them in connection with the latest processes unfolding in the modern capitalist economy.

Footnotes

1. See MEMO Nos 10, 11, 12, 1986; Nos 1-4, 6, 7, 12, 1987.
2. The opinion which is sometimes encountered concerning the possibility of a simultaneous strengthening of the regulatory roles of both the state and the market does not seem logically convincing, in my view.
3. A similar viewpoint was expressed by V. Kuznetsov at a session of the USSR Academy of Sciences IMEMO Procedural Coordinating Council on Theoretical Problems of the Political Economy of Present-Day Capitalism in April 1988.
4. Competition and monopoly, which is seen as the antipode of competition, are taken here as fringe, terminal situations. In actual reality a monopoly may be both collective (oligopoly) and individual, and the situation on the market represents some combination of elements of competition and monopoly. This fact does not refute but adjusts somewhat the conclusions formulated here.

5. Competition, monopoly and state regulation act as external, compulsory socialization and may beyond certain limits switch to its opposite—a specific form of alienation whereby the legal proprietor could find himself deprived of the possibility of administration and use.

6. In this case appropriation is identified with the acquisition of income, that is, with what is a part of the legal concept of use. However, it is possible to speak of the appropriation not only of the results but also the conditions of the process of labor, that is, the means of production. Given such an understanding, appropriation relations are ownership relations.

7. The fact that this is particular capital—state capital—cannot in itself serve as convincing grounds for the introduction of a new category designed to record a qualitatively new phenomenon.

8. F. Engels also employed the term "national ownership," understanding by this ownership by the nation as a whole of the objects of private ownership within the limits of a given state in the possession of all private persons without exception. "...National ownership," he wrote, "is higher than private ownership, and the real proprietor is the state" (K. Marx and F. Engels, "Works," vol 2, p 545). We would note that internationalization does away with and erodes the rights of the state as supreme proprietor, while protectionist, obstructionist measures and interstate regulation increase them.

9. Tax payments, thanks to which this expenditure is financed, may be regarded as a kind of payment for the state's fulfillment of its socioeconomic functions.

10. We would note that there is nothing positive in itself in this either as long as it is not known on what it will be spent.

11. Discernment of types of state-monopoly capitalism or state-monopoly regulation (military-state, liberal-reformist, social reformist and conservative) could also find an adequate place given this approach. It is pursued most consistently by K. Kozlova and I. Osadchaya (see "Critique of Bourgeois Theories of State-Monopoly Capitalism. Problems of the Mixed Economy," Moscow, 1984, pp 34-46; 87-93).

12. K. Marx and F. Engels, "Works," vol I, p 272.

13. If this proposition is true, the growth of the scale of the state's gross redistribution of the social product begins at a particular stage to outpace the growth of net redistribution.

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Roots of American Popular Resistance to Militarism Viewed

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[Article by Mira Mikhaylovna Petrovskaya, candidate of historical sciences, senior scientific associate of the USSR Academy of Sciences United States and Canada Institute: "The American Mass Consciousness and Militarism"]

[Text] Perception at the mass level of war and the army and the public attitude toward the military budget and military interventionism are important indicators and criteria of the public reaction to militarism and its manifestations. This article examines the evolution of Americans' attitude toward the army and war as important components shaping the militarist consciousness.

Society and the Army

The conditions in which the American Army was formed differed from European conditions. In the United States there was no particular class which (as was the case in, for example, Prussia) put militarist ideas and values highest of all and preferred a military career to business and the civilian professions. Noting the "widespread dislike of a standing professional army," the historian J. Boorstin writes: "The American military ideal was not Caesar but Cincinnatus, not the skilled general intoxicated with the strategy of a war to which he would devote his life but the farmer who had left, against his wishes, his tobacco plantations" to join the people's militia to defend the American colonies.

The capitalism which developed in the United States entailed a new bourgeois democracy which laid down traditions beyond comparison in terms of its progressive content with those which had been typical of the old feudal-aristocratic Europe. For this reason the army historically was shaped here on different foundations to those in the European countries, where the military profession was as the result of the "polishing" of military practice and the formation of a specific militarist consciousness endowed with a whole number of fascinating attributes (regimentation, iron discipline, the particular ritual of combat operations, the "honor of the uniform" as an integral part of the military's code of ethics and so forth).

Throughout the history of the United States the attitude toward the army was markedly influenced also by the tradition of individualism with its emphasis on the independence and self-worth of the individual, which could not have failed to have limited the development of the military sphere.

The geopolitical factor had an undoubted role also. For a long time—practically until the onset of the nuclear age—the position of the United States enabled it to treat the very idea of a regular army differently from European countries.

All this made for the originally negligible role of the military in American society. Only with the development of statehood and the conversion of the United States into a world imperialist power did the military establishment and military industry, whose combination and interaction were later defined by D. Eisenhower as the "military-industrial complex," begin to take shape and gain momentum.

The pressure on society on the part of the MIC thus occurred against the background of a relatively long tradition of freedom from militarism which influenced the consciousness of the nation as a whole.

Tension between "the imperatives of the military and American liberal society" (S. Huntington) grew after WWII. With the appearance of nuclear weapons military policy became to an incomparably greater extent than before an inalienable part of foreign policy, and the army and military institutions acquired an influence many times superior to that which they had enjoyed previously in the United States.

It was after the war that theoretical comprehension of the problems associated with the relations of the military and civilian spheres in society began. The theory of the "garrison state" (or "barracks state")² originally put forward by the well-known American political scientist H. Lasswell back at the end of the 1930's took final shape at this time. This was the first serious approach to the problem since the research of H. Spencer, who had seen the peaceful development of business as an alternative to the military state. H. Lasswell predicted the appearance of a new form of social organization, which is characterized by the militarization of the social order as the military system encompasses increasingly broad strata of society. "Specialists in violence" must have the leading roles in such a state.

In H. Lasswell's opinion, WWI led to the movement toward the "flourishing of free people in a world community of peoples" being replaced by a movement toward a world order which creates the conditions for the functioning of the "garrison state" with its caste social structures. As a result the 20th century has been characterized by a situation whereby "in place of the businessman, the soldier is predominant." And as soon as any country begins to reproduce the "garrison state" model as the form of its social organization, this model has a tendency to become universal, that is, spread to other countries also. Under the conditions of the "cold war," the American political scientist maintained, both the United States and the USSR inevitably had to become "garrison states," in which all tasks and actions were subordinated to the preparation for war.

Such states would have to subordinate their domestic programs to the goals and interests of military preparations, and their domestic systems would be under the control of the militarists. In a situation where war threatens, the system of beliefs of the members of society may easily become militarized. Factors of social life "acquire significance only to the extent that they can be embodied in ultimate combat efficiency."³

Foreseeing the development of military technology, he wrote that "the elite of the garrison state will be professionally interested in the stockpiling of all kinds of technical devices specially designed to perpetrate acts of violence." He pointed also to the psychological aspect of maintaining the appropriate atmosphere in such a state: "The rulers of the garrison state will rely on intimidation with the military threat as a means of maintaining public readiness to sacrifice the needs of consumption."⁴

H. Lasswell saw the "garrison state" as a possibility, as something that could happen. And in this sense his theory, which became extraordinarily popular, was a warning, and not an affirmation of a situation which had already taken shape, although his last works were written in the period of the appearance in the United States of atomic weapons and the "cold war," when many experts had come to the conclusion that the military sector had gained an influence unprecedented in the country's history.

The sole alternative to the "garrison state"—a peaceful and businesslike community of democratic nations—appeared to Lasswell entirely practicable inasmuch as he believed that mankind's basic aspirations are identical the world over. He was convinced that the Russian and American cultures have many similar features. If war as such could be ruled out, factors of consciousness firmly oriented toward cooperation would prevail. A process of cooperation between the two opposite systems would mark, according to Lasswell, the start of a new era of peaceful relations, given which movement toward a more consummate community of free people would be the only possible thing. Otherwise a "garrison state," which would inevitably lead to a mortal conflict fraught with the danger of virtually the total annihilation of mankind, would develop.

Scholars of a conservative persuasion saw Lasswell's theory as utopian and as providing merely polar variants and, consequently, excluding the more realistic and vital situation of confused contending social tendencies. This theory, S. Huntington wrote, "reflected the degree of pessimism and despair even in which the liberal wallowed when contemplating the situation which had set in following WWII. His voice was one of despair and hopelessness and agonized recognition of the whole extent of the collapse of liberal illusions in connection with the profound hopelessness of the situation in which mankind had revealed itself."⁵

Today, several decades on, Lasswell's most essential propositions are perceived as not only not having lost their significance but also as principles capable of contributing to the formulation of new thinking. Lasswell did not, possibly, conceive of the level of nuclear confrontation which has become firmly established toward the end of the century but he not only correctly determined its possible outcome but also signposted the ways to overcome it.

In the United States comprehension of the threat of militarism at the mass consciousness level has been and continues to be uneven. However, the historically evolved antimilitarist traditions were the soil in which the latest antiwar, antimilitarist and antinuclear movements matured.

The American public's attitude toward the army (the armed forces) is an important characteristic of the mass consciousness. For a fuller elucidation of the essence of what is happening currently it is expedient, in our view, to trace the evolution of this attitude in the period between the eve of WWII and the start of the nuclear age.

Prior to WWII the U.S. armed forces constituted less than 1 percent of male manpower, and the United States was 18th in terms of strength of the ground forces.⁶ The personnel was made up solely of volunteers, the majority of whom was oriented toward a military career. The NCO personnel and the ranks were replenished almost exclusively from the working class and rural inhabitants, and the officer corps, from Southerners from very well-to-do Protestant families. The military represented a stratum which was noticeably isolated from society as a whole. As far as the public was concerned, according to Gen D. Shoup, "prior to WWII the political mood of Americans was, as a rule, isolationist, pacifist and basically antimilitarist."⁷

⁶ WWII was a time of general mobilization. By the end of 1945 the number of servicemen had approached 20 percent of total manpower, with a manifest preponderance of the youth. The armed forces of this period consisted chiefly of conscript volunteers. "Serving merely in wartime, the typical serviceman was essentially a civilian in military uniform; a person who viewed with distaste the traditional military methods of orders, discipline and public control,"⁸ the sociologist C. Moscos observed. He believed that the merger of the military and civilian spheres had not at that time occurred. It was not fortuitous that pressure on the part of the public in 1945 and 1946 in support of demobilization was so strong that it gave rise to misgivings on the part of the political leadership, which believed, not without grounds, that a sharp reduction in the army could make undesirable adjustments to the realization of global intentions.

At the same time the war made big changes to the life of society. The well-known American political scientist R. Barnet wrote that "within the framework of the federal

bureaucracy the balance of forces shifted decisively toward those who had connections with military power." In 1939 there were approximately 800,000 civilian employees working for the federal government, approximately 10 percent of whom worked in national security establishments. At the end of the war this figure had risen to almost 4 million persons, of whom more than 75 percent were engaged in activity connected with the military sphere in one way or another.⁹

Despite the fact that in subsequent years the influence of the military was less than at the time of the war, scholars agree that it was, nonetheless, unprecedented for peacetime. The participation of professional military men in the government (and, consequently, in politics) and also in business was a new phenomenon in American history. In this period the military possessed in the United States considerably greater influence than in any other Western country. In the practical plane this was expressed in its tenure of offices of state usually entrusted to civilians, the strengthening of relations between top military officials and businessmen and the wide popularity of individual military leaders (Eisenhower, MacArthur and Marshall, for example).

Whereas prior to WWII the professional military (retired, frequently) was, albeit irregularly, appointed to government office, by the end of the 1940's it was given 150 positions of importance in the decision-making process.¹⁰ The distribution to the military of important positions (appointment as ambassadors included) as recognition of their services during the war and also enlistment in offices of state for the purpose of using the popularity of individual military leaders for the needs of foreign policy became a new phenomenon.

In the broad context the increased influence of the military was associated with the United States' incomparably more active role in the affairs of world politics under the conditions of its monopoly possession of nuclear weapons, with the new expansionist ambitions of its ruling circles and with their missionary belief in the fact that the 20th century was the "American century".

The new status of the military in the 1940's was consolidated by its close alliance with business. Prior to WWII these two sectors of society had been virtually "poles apart". In the opinion of S. Huntington, earlier "American businessmen had had practically no need for the military, and there was no understanding of its views and no respect for it."¹¹ The military responded to business in the same way. Cardinal changes now took place. A kind of union of representatives of the army and business was formed. For the military the merger with business was perceived as a kind of guarantee that the "war heroes" who had joined the latter were no longer representatives of an "unrespectable caste" but, on the contrary, had become respected members of American society. For their part, they lent the corporations new luster, attracting public attention to them. It is significant that many major industrial concerns which began to

make active use of the military in their business had earlier been the focus of opposition to the military establishment, constituting the nucleus of the National Association of Industrialists, which had constantly supported cuts in military spending.

Stronger ties were established between the military leadership and the sectors of industry which fulfilled orders for the Defense Department. Prior to the war the army and navy had not created big markets for industry. With the United States' entry into WWII business joined actively in arms production, and hundreds of businessmen acquired positions in the military departments. The "cold war" which set in after it was over created substantial new and quite extensive military production requirements. For the first time in the history of the United States the overall size of military orders and the high technological level of arms contributed to the creation of a large-scale military industry operating on a permanent basis.

The appreciably increased role of the military began to evoke increased criticism in society on the part of representatives of various ideological and political persuasions. The appointment of the military to important offices of state came to be seen as a sign of the militarization of the administration, an abandonment of the idea of civilian control embedded, as it was customary to believe, in the very structure of the American political system and, finally, as a sign of the formation of the "garrison state". Critics pointed to the gradual erasure of the traditional barriers between "political" and "military" functions; the American commentator H. Baldwin wrote with indignation that "the opinion of the military has now assumed such importance among the public that it is time to put an end to it."¹²

Pointing to the danger of the militarization of society, the above-mentioned D. Shoup emphasized that militarist culture, militarist philosophy and militarist institutions were an inalienable part of American life in the "cold war" years and that subsequently their development had assumed an independent, self-sufficing nature. The prominent American figure J.W. Fulbright accused the military establishment of the psychological indoctrination of the American public, which had led to the virtually automatic agreement of the majority with the values and priorities of the military,¹³ and the political scientist R. Heilbroner called it an "exclusive community capable of dictating its views and imposing its will" not only on the civil establishment but also the sector of the economy in which the language of private enterprise merely conceals its absolute domination."¹⁴

The failure of the Vietnam escapade marked a new phase in the evolution of society's attitude toward the army: it dealt a serious blow to the prestige of both the civil and, particularly, military authorities. Ringing condemnation of the military was heard in the speeches of many

congressmen (even the representatives of monopoly circles) and in numerous publications. Sharp debate developed concerning the nature and role of the military-industrial complex in the life of the United States. Inasmuch as the first shoots of discontent with the war in Vietnam had grown in intellectual, primarily academic, soil, it was the representatives of these strata which were particularly sharp in their opposition to the military. Such sentiments encompassed broad strata of society, penetrating the mass media and works of art of those years. The military was portrayed as the "bogymen of American society" and as "clowns and buffoons, rogues and criminals". There even arose a kind of industry producing books and brochures sharply critical of the "militarist way of thinking, the military-industrial complex, the Pentagon and butcher-soldiers."¹⁵

The public's attitude toward the army and the military's role in society may be judged from oblique indicators, primarily the reaction to military spending, its allocation and so forth. After all, the attitude toward the military budget and, consequently, defense issues and the state of the nation's military power is connected directly with how the international situation is perceived at the mass level in this specific period of time or the other.

With the onset of the "cold war" and the exacerbation of the international situation a mood in support of an increase in military spending was predominant in the country. Thus from 1945 through 1960 the prevailing public opinion was that it was necessary either to maintain military power in the form in which it existed or increase it. A permanent majority of 60 percent and more expressed support for the continuation of a high level of military spending or a growth thereof.¹⁶ A firm line in foreign policy was perceived as the natural counter to "communist expansion".

The picture changed sharply on the frontier of the 1970's. As opposition to the Vietnam war and other difficulties overseas grew, the proportion of those who believed that defense spending was excessive grew constantly, exceeding 50 percent by 1969, and only 8 percent believed that not enough was being spent on defense.

Whereas in the period from 1945 through 1961 less than 20 percent of Americans on average advocated a reduction in the military budget, as of 1968 (from 1961 through 1968 polls on this problem were not conducted) they constituted the majority. Also indicative are the data concerning the supporters of an increase in the military budget: their number declined from 25 to less than 10 percent.

A pronounced change in views on the problem of defense was observed among the public as of the mid-1970's, with the change for the worse in the climate in Soviet-American relations. Thus there was a decline from 52 percent in 1974 to 16 percent in 1978 in the number of those who believed that "too much" was being spent on military needs. Accordingly, the number of those who

believed that "too little is being spent" grew from 13 to 32 percent. The number of supporters of an increase in the military budget grew, according to Harris figures, from 25 percent in December 1976 to 50 percent in November 1978.¹⁷

When, in January 1981, R. Reagan assumed the presidency, the concern of the American public at large with problems of national security reached its highest level. The events in Iran and Afghanistan, *inter alia*, played their part. Given this mood in the country, the public's support for Reagan's programs for a buildup of military power to counter the "growing Soviet threat" and do away with the United States' "military weakness" could not have seemed a surprise. The mood in favor of an increase in military spending increased sharply. Whereas even prior to the events in Afghanistan over 50 percent of Americans supported higher defense spending, after this, their number, according to certain data, rose to almost two-thirds of those polled.

Indicative are the results of polls in 1982, when the vast majority considered the USSR a country "posing a threat to U.S. security" and believed that it would launch an attack on the United States in the coming decades and that the Russians would not stop short of the use of nuclear weapons; almost 50 percent regarded the USSR as a "real enemy".¹⁸

In 1982-1986 the public mood in connection with the military budget became more stable. No pronounced fluctuations were observed in respect of military spending, which had increased in accordance with the policy pursued by the administration. Only a limited number of Americans advocated a reduction therein. As scholars believe, there was a very negligible switch of supporters of both an increase and a reduction in military appropriations to the camp of those who supported preservation of the current level. According to the Chicago Council for Foreign Relations, in the period 1982-1986 the number of the latter grew from 52 to 54 percent.¹⁹

Recognition of approximate military parity between the two powers was an important factor which led to a weakening of support for an increase in military spending, which went hand in hand with the changed perception of the military balance between the two superpowers. Although many people believe that both superpowers are of approximately equal strength, for the first time a significant number of Americans is inclined to the opinion that the United States possesses superior power.

It is significant that many of those who support a growth of military spending simultaneously advocate joint action with the Soviet Union. Such action includes arms control agreements and also various civilian projects.

Membership of this party or the other plays an appreciable part in the shaping of views on defense issues. Thus an increase in military spending is supported altogether

by 29 percent of Republicans and only 14 percent of Democrats; a reduction therein is supported by 32 percent of Democrats and only 8 percent of Republicans.

For many years there has been a firm, although not always direct, connection between allegiance to this party or the other and views on military spending. It has strengthened in recent years. By deducting the percentage proportion of those who support a cut in spending from the percentage proportion of those who support the growth thereof (for example, 29 percent of Republicans supporting an increase minus 8 percent of Republicans supporting a reduction gives a coefficient of +21 percent) it is possible to obtain the dynamics of the attitude toward military spending in each party. As this coefficient shows, the differences between the parties have increased. In 1982 the difference between the parties constituted 27 percent (+18 percent of Republicans and -9 percent of Democrats); in 1986 it had risen to 39 percent (+21 of Republicans and -18 percent of Democrats). The main change which occurred in the period 1982-1986 amounted to a sharp increase in the number of Democrats advocating a reduction in military spending.²⁰

The attitude toward questions of the military budget is also influenced by factors of another kind—those such as the level of education and ideological-political orientation (liberals—conservatives). It is noted that the higher the level of education, the weaker the support for an increase in the military budget and the stronger the support for a reduction therein. As far as ideological-political preferences are concerned, Americans calling themselves conservatives are more emphatic in their support of an increase in military spending than those who consider themselves liberals.

As a whole, analyzing the factors influencing changes in the public mood, we may agree with the scholars who believe that the main cause of an increase in support for defense spending, and, equally, a readiness to dispatch troops to various regions, is to be found in the nature of the general perception of the Soviet Union, including the growth of its influence in the world and also the policy it pursues.

Americans and War

The attitude of American society toward war, nuclear war included, and the evolution of this attitude can hardly be correctly evaluated without regard for the nation's historical experience.

As is known, the conquest of the American continent was accompanied by wars against the indigenous population, which were perceived in the consciousness of the masses as something natural for territories occupied by nothing and no one and available for advancement. The three major military conflicts of the 19th century were of a varying nature and, naturally, have resided variously in the public mind. As the prominent American political

scientist A. Rapoport observes, the war with England of 1812-1814 "was elevated to the status of a second war of independence"; the Civil War of 1861-1865 was a "war for survival," and merely the war with Mexico of 1846-1848 was the first war which induced reflection apropos its causes, aims and nature. It was at that time that representatives of the Northern states insisted, as a counterweight to the Southerners' position, that this war was contrary to the ideals "which, it was believed, formed the basis of American political philosophy."²¹

The definitions of the content of the wars provided by A. Rapoport may not be accepted unreservedly in all instances. It is important to emphasize, however, the change noted by the author which occurred in the American mass consciousness in the mid-19th century in connection with public recognition of war and peace as problems.

The ideological rationalization of expansionist actions—the "manifest destiny" doctrine, which American scholars compare, not without reason, with the doctrines of the Spanish conquistadors, the British colonizers and even the German *Kulturträger*—was perceived at the mass consciousness level as peaceful, contributing to the spread in the world of new, republican values.²²

The sources of many value orientations in the American mass consciousness are, as is known, rooted in Protestant ethics. Both moralism, which is so typical of Americans, and voluntarism, the combination of which constantly nurtures a variety of social movements designed to realize moralist principles, which are so characteristic of American history, originate in it.

In questions of foreign policy and, particularly, in the attitude toward wars the moralist tendency of the American mass consciousness has always been most pronounced. Americans supporting this war or the other have inevitably regarded them as moral crusades: riddance of monarchical rule (the war of 1812); smashing the Catholic forces supporting religious prejudice (the Mexican War); putting an end to slavery (the Civil War); doing away with colonialism on the American continent (the American-Spanish War); later, "making the world safe for democracy" (WWI); "preventing the expansion of totalitarianism" (WWII, Korea, Vietnam). "As distinct from other countries, we rarely regard ourselves as simply defending our national interests. Since each war is a battle of good against evil, the sole acceptable outcome is the 'unconditional surrender' of the enemy,"²³ S. Lipset observed.

Having begun to participate in the "imperialist races" at the turn of the century, the United States felt invulnerable and protected by borders which seemed impregnable: two oceans—east and west—"friendly" Canada in the North and "powerless" Mexico in the South.

In the eyes of ordinary Americans the basis of U.S. participation in world affairs had to be defense of a just world order. It was in the spirit of such beliefs that Americans entered WWI. The American concept of foreign policy (regardless of the forces which directed it) assumed a distinctly ideological nature. The "just war" concept appeared at this time. War, according to this notion, was primordial evil, senseless and cruel. The normal condition is living in peace, and so could states exist if other states or their leaders in their "insatiable aspiration to power" or for some other reason would not unleash wars. Such states were hereby outside of the community of "peace-loving" nations. And as a result the latter had to do their duty and punish those who aspired to a disruption of peace, which was the sole justified reason for entering into war. The enemy in a "just war" was a criminal, and not simply a rival in a trial-of-strength situation.

America's participation in WWI with the proclaimed goal of "making the world safe for democracy" subsequently, however, was negatively evaluated by the public, this being connected, specifically, with the fact that this meant a marked departure from isolationism and that war was for the first time being waged on a global scale. Seventy percent of Americans believed that U.S. participation in this war was a mistake.

A departure from isolationist sentiments and a new view of the United States' role in the world were noticeable in the period of WWII. The vast majority of Americans was united by the idea of the United States' active participation in the war against fascism. Sentiments in favor of participation in international affairs traced in public opinion polls came to replace isolationism; nor did they change after the war was over.

Victory in WWII strengthened even more the idea of a "just war" in the minds of Americans. War is a primordial evil. But a war against war is a duty. "And since America is indubitably the strongest (just as it is the most peace-loving and democratic) state in the world, this duty of preserving peace, by force of arms if necessary, falls directly on American shoulders. 'Peace is our profession'—such is the motto of the United States Air Force."²⁴

Americans' attitude toward war has evolved in line with the development of the process of states' interdependence in the most important spheres of human existence. Thus the majority of Americans did not support participation in the wars in Korea and, particularly, in Vietnam. Moreover, the discontent grew constantly.²⁵

For the mass consciousness imbued with faith in the might of the nation the experience of the Korean War was in many respects sobering. It showed, *inter alia*, that the wealth of a country providing for an abundance of military hardware does not in itself lead automatically to victory or to a facile one, moreover, in addition, this hardware itself employed under the specific conditions

of a war in Asia was more a hindrance than an obvious advantage for the former methods of warfare aggravated by backward conditions of existence were predominant in the countries of this region.

At the time of the Vietnam War opposition to the military conflict intensified primarily because the Americans, according to R. Barnett, "were not prepared to pay the price of victory, even the price necessary to avoid defeat."²⁶ All this led to an unprecedented social reaction. In spite of the propaganda, which persistently propounded the proposition concerning the need to "contain" communism, the public at large was increasingly active in its opposition to the war in Vietnam. Between 1966 and 1971, according to data of the Gallup Institute, the number of those who believed that "involvement in the Vietnam War" was a mistake grew from less than one-third to a substantial majority. And in 1971 some three-fourths of Americans advocated the troops' immediate withdrawal. For the first time more than 50 percent of those polled expressed the opinion that this war was not only a mistake but also essentially amoral. "As," the historian T. Bailey observed, "the payment grew, a payment in gold and blood, and the war seemed endless and not to promise victory, the American people began to be gripped by anxiety, and events took a different turn."²⁷

One general conclusion was drawn from the Korean and Vietnam wars: a protracted war in support of this corrupt regime or the other will not find real, unconditional and long-term support among Americans. "The growing anger of the people," Bailey writes, "represented a classic model of how aroused public opinion can bring about an abrupt change in official policy."²⁸

NEW YORK TIMES commentator J. Reston said about the influence of the Vietnam War on the domestic policy situation and moral-psychological climate in the United State. "America is leaving Vietnam after the most prolonged and most divisive conflict since the times of the Civil War. Vietnam is not leaving America, however, for the influence of this war will probably be reflected in American life for many years to come. Although, possibly, it is still too early to delineate the temporary and long-term consequences, it is perfectly clear that as a result of this war there has been a sharp drop in respect not only for the civilian authority of government but also for the moral authority of the school, the press, the church and even the family...." Reston went on to point out that even two world wars had not had such an influence on American society for they "did not challenge so many postulates of American life as this long war in Vietnam."²⁹

Indeed, there was following the Vietnam War a revision of many of Americans' positions, views and approaches, which was reflected, specifically, in their changed attitude toward military assistance and military intervention overseas, toward the army and toward the United States' role in the world.

It is important to bear in mind also the fact that the idea of peace has in itself always found support among Americans. This was the case even when, after a long period of isolationist sentiments, a postwar "interventionist consensus" signifying support by the vast majority of U.S. citizens for a policy of military preparations, the creation of military alliances and negotiations "from a position of strength" had taken shape. The idea that all these actions were essential to preserve peace became rooted in the mass consciousness. Naturally, such views were cultivated and supported by official propaganda and the mass media.

The appearance of atomic weapons changed the idea of war at the mass level. Of course, it would be wrong to maintain that an understanding of the fact that the very idea of "victory" had become absurd emerged in the public consciousness immediately. The use of atomic weapons against Japan, for the purpose of testing them under "field conditions" included, was perceived as an act necessary for "final victory" over the enemy. The majority of Americans perceived the use of atomic weapons against Hiroshima and Nagasaki positively, viewing this act as necessary for bringing WWII rapidly to an end and saving the lives of many thousands of American soldiers. The Americans saw the atom bomb as a "tragic, but effective weapon". Even at that time they were aware of the idea of "deterrence" and "retaliatory strike" and did not consider the use of atomic weapons reprehensible. They had no inkling at that time that there would ever be a chance of these weapons being used against themselves.

While the United States was the monopoly possessor of atomic weapons, Americans experienced a feeling of pride. Such views prevailed in the subsequent decade also. For example, in 1949 only 29 percent of Americans believed that the creation of the bomb had been a negative phenomenon, and in 1954 the majority (54 percent) agreed that the invention of the hydrogen bomb reduced the risk of a third world war.

Just three decades later the public opinion poll services were revealing that radical changes had occurred in the minds of Americans: in 1982 some 65 percent of the population expressed the belief that the creation of nuclear weapons was a "bad thing". Almost 30 years ago, according to data of the Gallup Institute, only 27 percent believed that "mankind would perish in a general war involving the use of atomic or nuclear weapons". By 1961 some 43 percent believed that there was little chance of survival in such a war, and by 1982 some 46 percent of the population believed that the United States could not win a nuclear war with the Soviet Union. Americans no longer believed, as formerly, that it was possible to win or even survive in a nuclear war. In 1984 some two-thirds of Americans (68 percent) shared this viewpoint, regardless of how the corresponding questions were formulated, and 89 percent of persons polled

agreed with the proposition that "there could be no winner in a general nuclear war inasmuch as both the United States and the USSR would be completely wiped out".²⁰

These changes are connected to some extent with a reassessment of the relative power of the United States and the USSR. While the United States had monopoly possession of the atomic bomb, few people had doubts as to U.S. security. After the USSR had created an atom bomb and then the hydrogen bomb, Americans' belief in their superiority in the nuclear sphere ceased to afford them a sense of security. In 1955 some 78 percent believed that the United States had a greater quantity of nuclear weapons than the Soviet Union. In the 1980's only 10 percent declared that they believed in the nuclear superiority of the United States. The majority agreed that both sides had weapons possessing approximately equal destructive potential.

Concern in connection with the nuclear danger grew sharply, particularly among the younger generation. Some 68 percent of those polled (78 percent aged 30 years and under) agreed that if both sides continue the nuclear arms buildup instead of negotiating how to get rid of them, these arms will be used—"and this is only a matter of time". Some 50 percent of young people declared in 1984 that a general nuclear war could occur within the next 10 years.

The basis of the profound changes in the public mood is Americans' keenly recognized sense of the danger to their own lives. In 1949 and 1955 even a majority considered justified the use of nuclear weapons against the USSR, if it "attacked the United States' European allies," using conventional arms. But in 1984 some 77 percent thought differently, namely, that the United States should not resort to nuclear weapons in response to the Soviet Union's hypothetical use of conventional arms. The overwhelming majority (74 percent) advocated U.S. policy completely precluding the use of even tactical nuclear weapons.

Analyzing the reaction of American public opinion to the nuclear danger, researchers highlight the spheres in which the unanimity of the vast majority of the population is observed. This means primarily recognition of the suicidal nature of nuclear war. A majority of Americans representing all demographic groups thinks this way. In addition, it believes that the danger of nuclear war is not a remote one but entirely real and close and is convinced that there can be no limited nuclear war: if one side uses nuclear weapons, the conflict will inevitably grow into total war (83 percent). It believes also that, in the event of a nuclear war, both the United States and the USSR would be completely destroyed (89 percent). It is indicative that a majority supported the following opinion: "We can no longer be sure that life on Earth would continue after a nuclear war" (83 percent).

Scholars distinguish also the public's approach to the "realities of nuclear war" from the standpoint of commonsense. What Americans understand by "the realities of nuclear war" frequently differs from the ideas of the policymakers and experts and may conditionally be divided into two groups of questions: pertaining to nuclear weapons and also concerning the United States and its adversaries.

The public adheres to the following ideas: "nuclear weapons are a fact of life and cannot be simply destroyed, and inasmuch as mankind possesses the technology of their manufacture, there can be no return to safer times" (85 percent); "both the United States and the USSR now possess the capacity for multiple mutual destruction" (90 percent); "the United States has lost its nuclear superiority" (84 percent) and has no hope of recovering it; it is impossible to win an arms race since "the USSR will always strive to catch up with the United States in nuclear arms" (92 percent) and the creation of new weapons systems as "bargaining counters" with the USSR will not produce results since the USSR "would create similar systems" (84 percent).

Inasmuch as the Soviet Union is considered the United States' main rival in the era of nuclear confrontation it is inclined to be regarded as a dangerous adversary "constantly on the lookout for our weaknesses and always ready to avail itself of its advantages" (82 percent). Even in the 1970's, in the detente period, 90 percent believed that whereas the United States was attempting to improve relations with the USSR, the latter was "secretly increasing its military power".

The general conclusion reached by the vast majority of Americans is that war with the USSR is no longer a means of continuing policy. Whereas earlier states attempted to settle disputes by military means, now neither the United States nor the USSR should ever resort to war (85 percent), it being essential to seek a peaceful solution of problems (96 percent). Some 77 percent believe that questions of national security and nuclear arms are not too complex for the public to understand and should not be the exclusive prerogative of the president or experts.

Thus the picture of the public attitude toward the question of U.S. policy in the nuclear arms sphere is complex and contradictory. It reveals unanimous or close positions on certain essential aspects of the problem, whereas a clash of approaches and frequently misunderstanding emanating mainly from a lack of information are observed on others. Differences in approach are frequently connected also with demographic characteristics, devotion to various religions and so forth.

It is important, however, to note that in the 1980's Americans are troubled by the nuclear arms race to a considerably greater extent than ever before. They realize that the threat looming over mankind at the end of the 20th century is of a more global and stable nature

than, for example, that which existed at the time of the Cuban crisis. The mass consciousness is reacting not to a crisis situation but to one of the gradual slide toward catastrophe, which is perceived as irreversible. This fear is particularly prevalent among the youth.

The appearance of nuclear weapons struck a mortal blow at the ideas on war. This does not, of course, in Americans' understanding preclude the states possessing nuclear weapons carrying out an attack on one another, the outcome of which would merely be mutual assured destruction. In addition, wars involving conventional arms are being waged in the world, as before, and there are no hopes as yet of this situation changing for the better in the immediate future.

It is legitimate to conclude that there are in the United States propitious conditions based on historical and cultural traditions for a transformation of the mass consciousness in the direction conditioned by the imperatives of the nuclear age.

Of course, traditions themselves are subject to change. In addition, they do not preclude such manifestations in the public mood as nationalism, chauvinism and jingoism and, at times, the endeavor to gain a facile victory with a minimal expenditure of forces and resources (as was the case with Grenada, for example). However, the importance and stability of the historical and cultural memory in the mass consciousness should always be borne in mind.

Despite the flashes of chauvinist sentiment in the United States in recent years and also the certain resuscitation of public interest in the institution of the military, its primordially characteristic antimilitarist tradition is strong, as before, in the American mass consciousness.

We should emphasize particularly the positive psychological impact on the American public of top-level meetings and the accords reached thereat, which is of considerable importance for the continued evolution of the American mass consciousness.

Footnotes

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4. H.D. Lasswell, "The Garrison State" (AMERICAN JOURNAL OF SOCIOLOGY No 4, 1941, p 465).

5. S.P. Huntington, "Postwar Civil-Military Relations" ("American Defense Policy", Edited by E. Smith and C.J. Johns, Baltimore, 1968, p 507).

6. See R. Barnett, "The Economy of Death," New York, 1971, p 68.

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9. See R. Barnett, Op. cit., p 68.

10. See R.C. Snyder and H.H. Wilson, "The Roots of Political Behavior," New York, 1949, p 557.

11. S.P. Huntington, Op. cit., p 514.

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13. See J.W. Fulbright, "The Pentagon Propaganda Machine," New York, 1970.

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16. See "Next Phase in Foreign Policy", Edited by H. Owen, Washington, 1973, p 251.

17. THE HARRIS SURVEY, 18 December 1978.

18. "A Conversation with Louis Harris" (BULLETIN OF THE ATOMIC SCIENTISTS, August-September 1982, p 4).

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23. S.M. Lipset, "The First New Nation. The United States in Historical & Comparative Perspective," New York, 1979, p XXXVIII.

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25. See THE GALLUP POLL, 16 November 1952; 15 January 1970.

26. R.J. Barnett, "Roots of War," New York, 1982, p. 246.

27. T.A. Bailey, "A Diplomatic History of the American People," New York, 1974, p. 909.

28. *Ibid.*, p. 908.

29. THE NEW YORK TIMES, 24 January 1973.

30. Here and subsequently statistical data are adduced from "Voter Options on Nuclear Arms Policy. A Briefing Book for the 1984 Elections," New York, 1984. COPYRIGHT: Izdatel'stvo TsK KPSS "Pravda". "Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1989

Political, Security Aspects of Energy Problem
18160006 Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYE OTNOSHENIYA in Russian
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[Article by Andrey Vladimirovich Nikiforov, candidate of historical sciences, acting chief editor of the journal *SSSR-EKONOMIKA, POLITIKA, IDEOLOGIYA*: "Power Engineering and International Security"]

[Text] The link between power engineering and international security does not require much proving. It is sufficient to recall the military dispatches from the Persian Gulf and the events of the 1970's to be persuaded of this once again. Its vital importance for the normal activity of each state long since put the task of energy supply among the main priorities of the domestic and foreign policy of all governments. Added to this today is a growing awareness that a continuation of the current trends of the development of power engineering will bring all mankind to the brink of ecological catastrophe.

International security also is being understood anew currently. In the broad sense this means not only deliverance from fear in the face of invasion and seizure, it also incorporates the dependable and accessible granting to the citizens of the necessary conditions for life, development and self-expression. This idea is at the basis of the Soviet concept of an all-embracing system of international security incorporating not only military-political but also economic and humanitarian aspects.

One further aspect of security—technological—is connected with the fact that many types of prevailing technology today and production systems created on the basis thereof are, even given normal functioning, not to mention accidents, inflicting on people palpable and growing ecological, economic and psychological and,

frequently, physical losses also. Energy systems with their seemingly indomitable giant-mania, centralization and comparatively low efficiency (evidently have the dubious honor of being the leaders in this respect. Thus Academician V. Legasov has observed that approximately 10 billions tons of standard fuel are extracted, transported, stored and used in the power engineering sphere in the world, that is, a mass capable of burning and exploding has become comparable with the arsenal of nuclear weapons stockpiled in the world throughout the history of their existence. Second after the prevention of a military confrontation he put among the goals of security safety against the steady-state or accident impact of the powerful industrial infrastructure.

Owing to high technical complexity, growing geographical scale and low degree of interchangeability and flexibility of the constituent components, many large-scale production systems are becoming increasingly vulnerable to the least dysfunctions or deliberate violations, thereby weakening states' national security. But this same connection means that a country's security needs to be strengthened not only by military-political agreements with other countries but also by way of the choice and introduction of technologies providing for the greatest dependability of the basic systems of society's survival.

It is characteristic of the mutual influence of technology and policy that technology is determining policy to a far greater extent than the other way about. The difficulties of the formulation and realization of many countries' energy strategies are graphic confirmation of this. This is particularly characteristic of international relations. When, as the result of the extensive development of an established technology, a threat to national security arises or interstate relations are exacerbated, states prefer to spend billions and run the risk of war to protect this technology and the economic and political interests connected therewith, although the reason for the emergence of the threat itself could be removed by the investment of these resources in different engineering solutions.

At the same time such a "coupling" of technology and policy can hardly be considered invariable. The need for a conscious political choice of directions of S&T development is perceived particularly keenly today, when the unchecked development of certain directions of science and technology is jeopardizing the survival of mankind. It is not a question of halting this research or the other as being potentially dangerous. Such attempts would evidently be ineffective and, on the whole, reactionary. But knowing how and being able to do something by no means signifies that this knowledge needs to be realized at all costs. Of the many theoretical developments offered by basic science, people may choose the optimal and at the same time determine those whose realization would be dangerous. This applies, evidently, to the question of whether we should invade man's genetic

code and create new types of weapons of mass destruction and many SDI components and to a number of other possibilities. There is a problem of choice in power engineering also, and international-political factors should be added to the technical, economic, ecological and other factors determining it.

Studying the way in which power engineering influences international security, one inevitably notices not only the perfectly specific, material dependence but also the similarity of states' conceptual approaches to safeguarding their energy and military-political security.

Material Connection

Historical experience provides grounds for distinguishing three main knots which link power engineering and world politics. These are primarily the hypertrophied dependence of the economy of the majority of countries on one or two energy carriers.² In this case political contradictions between states could become seriously exacerbated not only as a result of a physical shortage of such energy sources but also as a consequence of sharp fluctuations in the world price for them and the ecological consequences of their use.

The most striking example is the dependence on oil (dependence of both importers and exporters of this raw material, what is more). In the mid-1970's it brought the United States and Arab countries to the brink of an armed confrontation. The latter used an embargo on oil supplies to the United States and a sharp increase in prices under "seller's market" conditions to achieve a change in Washington's Near East policy. The United States threatened to use military force in the event of "the Western world's strangulation," but at the same time switched to an "even-handed" policy in the Near East for the purpose of conciliating the conservative Arab governments. Although this policy did not contribute to a just settlement of the Arab-Israeli conflict, it undoubtedly helped, thanks to a mutual understanding with Saudi Arabia, to curb the growth of the world oil price right until the end of 1979.

An acute political conflict between most important exporters—Saudi Arabia and Iran—arose in mid-1986 under the completely different conditions of a "buyer's market" and under the strong influence of the Iran-Iraq war. It was now Iran which was resorting to the military threat to force Riyadh to end its "price war" policy, with which the latter was endeavoring to increase its share on the world market by means of unlimited supplies of cheap oil. As a result of Saudi Arabia's concessions the world price more than doubled.³

These are just two examples of the relationship of oil, policy and war. It should be noted that attempts to ease the oil dependence thanks to the maximum development of coal and nuclear power engineering could, having removed one source of political tension between states,

exaggerate others like, for example, exacerbation of the acid rain problem, proliferation of nuclear weapons, the transference of radioactive fallout and so forth.

The inordinate dependence of world power engineering on one or two energy carriers is evidently in principle fraught with the danger of international conflicts. Inasmuch as prolonged stability is alien to the market by its very nature, the undulating movement of economic conditions strengthens by turns the positions of the importers and exporters, creating the possibilities and temptation to use them for political ends. In addition, the major financial losses entailed in this connection could exacerbate interstate relations and prompt serious internal changes.

The second knot linking power engineering and international security is the large physical volume of world trade in energy resources. This phenomenon is closely connected with that examined above, but in this case it is a question of the vulnerability of the giant international transport infrastructure.

One-third of all primary energy resources, including more than 1.2 billion tons of crude (almost half total production), approximately 300 million tons of coal and almost 230 billion cubic meters of natural gas (including more than 50 billion cubic meters in liquefied form), enter world trade channels annually. The average distance of international maritime oil shipments amounted in 1986 to 4,840 miles, and of coal shipments, to 5,750 miles. The transoceanic and transcontinental energy supply lines are known for their "rigidity". Special pipelines, railcars, merchant ships and materials handling terminals, which are practically noninterchangeable, are created for each energy carrier.

This "rigidity," lengthiness and vulnerability of the international transport energy infrastructure and at the same time its vital importance for states are forcing governments to regard its maintenance and protection as a most important foreign policy and military assignment. Interstate contradictions between supplier and recipient, regional conflicts and terrorist activity are constantly feeding fears that supply routes could be cut and the "tap" turned off. They are being used extensively by the West's military circles to justify new naval programs and risky adventures overseas and could in crisis situations lead to a relapse into colonial seizures.

Yet the growth of the world trade in energy carriers is by no means an inevitable attendant of progress. Its volume peaked in 1979, and in 1984 had declined 17 percent, although energy consumption in this period grew. This testifies to the growth of countries' self-sufficiency and, evidently, that the trade in energy carriers is beginning to give way to the international transfer of all kinds of energy technology. This progressive phenomenon has yet to be gauged and evaluated.

And the third and final, but by no means least important, knot binding power engineering, particularly in the long term, and international security is nuclear energy. The main danger which the development of this sphere of power engineering represents for the world is the proliferation of nuclear weapons. The International Atomic Energy Agency, an important task of which is the supervision of nuclear plants and the materials of the members to prevent their being switched to weapons manufacture, was formed back in 1957 under the aegis of the United Nations. Compared with other international institutions in which as many countries with different economic and political systems are represented, the IAEA (113 states were members in 1987) has, perhaps, the broadest supranational functions. The members (among whom there are, incidentally, many states which have not signed the Nuclear Nonproliferation Treaty) have voluntarily transferred to it some of their sovereignty, submitting to the stipulated control procedures.

Although the international-legal and organizational-technical mechanisms created by the IAEA and the Nonproliferation Treaty (136 states subscribed thereto in 1987) could be a useful example at the time of the solution of global problems, it is perfectly clear that they have accomplished only part of their mission: having eased the world community's fears concerning the proliferation of nuclear weapons, they have created propitious political conditions and contributed directly to the development in many countries of nuclear research and nuclear power engineering. But these mechanisms have proven by no means as effective in the accomplishment of another task entrusted to them: preventing the proliferation of nuclear weapons.

Strictly speaking, IAEA statutes record that the agency will deal with these "as far as possible," and there are, naturally, limits to its possibilities. Some 7.9 tons of separated plutonium and 12.3 tons of highly enriched uranium, from which 1,260 explosive devices could be manufactured, were under agency safeguards (supervision) throughout the world in 1985. IAEA inspections are made not less than once every 6 months, and the instrumentation allows for a deviation of up to 1.5 percent. Thus within the limits of instrument error there could every 6 months at least be approximately 300 kilos of nuclear explosive which could be switched to the manufacture of more than 20 weapons. This is an exaggerated picture, of course. Many fissionable materials are kept in sealed reactors or in storage under the surveillance of IAEA televisions and cameras, and determining the fact of their switch to purposes which are not permitted is not that difficult.

It is more difficult monitoring the nuclear materials in the process of their reprocessing, when they are in motion in the form of liquids, gases, powder, pellets and so forth. But, as the American nonproliferation specialist L. Spector writes, "even if the IAEA system were to react

immediately to a switch, the state possessing such material could, having prepared all the nuclear components in advance, manufacture a nuclear weapon within several weeks and thus confront the world community with a fait accompli."⁴

Almost all the "near-nuclear" countries are members of the IAEA, although not all of their nuclear installations are under agency supervision. Of the more than 100 members in receipt of technical assistance from the agency, 8 "near-nuclear" (excluding Taiwan and South Africa) members account for almost 20 percent of its entire volume. "The IAEA does not monitor here the sphere, peaceful or military, in which the information obtained by the countries via its technical assistance program is used," the authors of a work on the agency, which is, on the whole, optimistic, write.⁵

The Nonproliferation Treaty prohibits nonnuclear states, as is known, receiving, manufacturing and acquiring nuclear weapons and receiving help in their manufacture. But it does not prohibit them acquiring and creating the technology and materials necessary for such manufacture. And these materials (irradiated reactor fuel, for example) and this knowhow are acquired in the process of the operation of research and industrial reactors. Besides, subscribing to the treaty is, naturally, voluntary, and the majority of "near-nuclear" countries (Israel, South Africa, Pakistan, India, Argentina and Brazil) has not subscribed to it.

Not only the black market expanding together with the scale of the peaceful use of nuclear power or unchecked private interest prompting Western countries to export "sensitive" technology are contributing to the proliferation of nuclear weapons. The practical (as distinct from declarations) policy of the leading Western powers is contributing to proliferation also. Thus pursuing its regional policy goals, the United States is turning a blind eye to Israel's nuclear program in collaboration with South Africa and has supplied India with 166 tons of heavy water, having thereby accelerated together with other Western countries its realization of a peaceful explosion in 1974.⁶ Today the same countries are in fact conniving at Pakistan's nuclear program.

Among the prescriptions of the struggle against the proliferation of nuclear weapons the best-known are the regular (at the time of IAEA sessions and Nonproliferation Treaty anniversaries) appeals for a strengthening and upgrading of international political-legal mechanisms.⁷ Yet the quite long experience is every reason to reflect, it would seem, on the fact that it is very difficult preventing the appearance of nuclear weapons in almost 160 sovereign states by measures of international law while at the same time contributing in every way possible to the development of their nuclear power engineering affording the necessary knowhow and materials and, what is of considerable importance, a respectable screen for the creation of such weapons.

Community of Thinking

Besides the said material connections between power engineering and international security, it is also possible, evidently, to speak of a certain similarity of the concepts and behavior of states in the two spheres. Just as in the military-strategic sphere, governments usually attempt to safeguard energy security also by unilateral or group actions, frequently preferring technical to political solutions. Proposals pertaining to the joint multilateral (with the participation of exporters and importers) regulation of the world oil market are swept aside. Thus in the mid-1970's the International Energy Agency, of which 21 Western countries are members, fruitlessly attempted to have OPEC agree to a reduction in the price and guaranteed supplies of oil. In mid-1986 OPEC proposed to the International Energy Agency negotiations on a stabilization of prices, but met with refusal. Instead the importers are stockpiling enormous strategic oil reserves,⁸ regarding them not only as a security guarantee but also as a means of economic and political pressure on the exporters.

The aspiration to acquire an "inexhaustible" energy source reminiscent of the military's well-known search for the "absolute" weapon which would ensure once for all the security of those who possessed it became predominant. Was it fortuitous that this search in both the military sphere and the sphere of power engineering led to ideas of the use of nuclear and thermonuclear energy?

Having put their faith in a panacea, people are inclined to act according to the principle of "the more, the better". Work gets under way, despite the expenditure, and people prefer not to talk about economic expediency, and no thought is given to the consequences. Groups of people are formed whose economic and social position is the stronger, the bigger the scale and higher the tempo of the stockpiling of nuclear weapons and/or the development of nuclear power engineering. The appeal to the highest national interests and those common to all mankind (security and inexhaustible energy) enables them (or did so until recently, at least) to successfully deflect criticism of their brainchild from the standpoints of economic efficiency, political expediency and moral values. The "atomic enthusiasm" peaked in the 1970's: it was at that time that world nuclear arsenals showed an abrupt growth and that far-reaching programs of the development of nuclear power engineering were adopted in many countries.

Today this "enthusiasm" has for various reasons diminished to a considerable extent. As far as the military-strategic sphere is concerned, there is a growing understanding that the stockpiling and upgrading of nuclear weapons could undermine international stability even if parity is maintained. For this reason even those who are not yet prepared to renounce such weapons entirely are consenting in principle to significant reductions therein.

As far as nuclear power engineering is concerned, in almost all countries the plans of the 1970's are not in fact being fulfilled and have officially been cut or slowed for economic, technical and ecological reasons or (as in France and Japan, for example) owing to insufficient demand for electric power. A number of countries has adopted the political decision to abandon nuclear power engineering altogether.⁹

In the mid-1980's the contribution of nuclear power stations to the world consumption of primary energy resources did not exceed 2 percent. Even if the IAEA's optimistic forecast becomes a reality and nuclear power station capacity worldwide doubles by the year 2000, the importance of the "peaceful atom" will not have augmented the grounds for considering nuclear power the real solution of the global energy problem in the coming decades.

A largely similar situation has taken shape currently in both the sphere of international security and in the sphere of power engineering: the old approaches and the traditional thinking are heading for impasse and confronting mankind with the threat of self-annihilation. The traditional methods of energy production and consumption have exhausted their potential. The limit of the prudent concentration and unit capacity of power installations and the efficiency of the main energy-conversion methods has in fact been reached.¹⁰ The continued quantitative buildup of energy generation based on existing technology could do irreparable harm to the environment and to man. Like the sphere of international security also, world power engineering is at a pivotal stage, and seeking new approaches would be expedient with regard for their close relationship.

Power Engineering for a Secure World

As Soviet scholars correctly write, the global energy problem may be solved on the basis of "the steady satisfaction of demand for energy of the requisite kind and quality, given acceptable socioeconomic indicators"¹¹ of its use at the point of consumption. Proceeding from the interests of international security, it is essential to add that such a solution should at least not complicate political relations between states and, as far as possible, contribute as much as possible to the settlement of international problems.

In turn, the idea of reasonable sufficiency could be borrowed from the military-political sphere, where the new thinking is now blazing a trail for itself, and made the basis of energy strategy. Sufficiency would in this case mean that the main priority in research, development and capital investments should be given:

a qualitative leap forward in reducing losses at the time of the recovery, production, shipment, conversion and consumption of energy and energy carriers¹²;

the creation and decisive introduction of energy-saving technology, machinery and consumer goods;

the active development and introduction of renewable sources of energy and new methods of its accumulation and storage.

The sufficiency principle could also imply a change toward the decentralization and diversification of energy production and the development of local, primarily renewable, sources thereof oriented in terms of type and scale toward specific consumers. This would make it possible to slow down and, in the long term, halt the growth of world organic fuel consumption without detriment to states' economic development and limit the load on the Earth's ecosystem.

The development of world power engineering and the consuming sectors in such a direction would, besides a cardinal increase in the efficiency and humaneness of production, contribute also to a strengthening of states' energy self-sufficiency, an easing of consumer-countries' dependence on the energy carrier-exporting countries and a lessening of the likelihood of political conflicts for these reasons. It should be noted that although the international coordination of such an energy strategy would undoubtedly be desirable and useful, each country may begin its implementation independently. In strengthening its own energy security by way of the elimination of losses, an increase in consumption efficiency and the diversification of the production of energy from local, primarily renewable, sources each country would also be contributing to an easing of the global energy problem. Such a policy could hardly be contrary to the interests of other states except, perhaps, for those which are heavily dependent on exports of a particular type of fuel.

It may be assumed that a strategy of reasonable sufficiency would help, if not untie, then loosen the three above-mentioned knots linking power engineering and international security. First, the stabilization of consumption and the diversification and decentralization of sources of energy would make the power engineering system less vulnerable in the event of a cessation of or sharp reduction in the receipt of some one kind thereof. On a world scale a lessening of the role of organic fuel, oil particularly, would make it possible to depoliticize the market thereof. Such a tendency would possibly be reminiscent of that characteristic of the markets of many types of mineral and agricultural raw material: the growing use of secondary resources and domestic production (substitutes included) enable the consumer-countries to protect themselves to a considerable extent against sharp fluctuations in prices on the world market, simultaneously making such fluctuations less likely and politically sensitive.

Second, a further diminution in the world trade in and shipments of fuel might be expected. This would in time ease importers' concern for guaranteed "access" to

energy sources and the "protection" of supply routes, removing a principal cause of the overseas military presence. Contributing to a reduction in the trade in fuel, a policy of reasonable sufficiency would at the same time stimulate a rapid growth of the international exchange of the knowhow, technology and equipment necessary for realization of this policy.

It would be realistic to expect that a weakening of the "old" political contradictions and friction between countries based on energy dependence would be accompanied by an increase in technological dependence and attempts to use it for political ends. But many examples, specifically the United States' recent ban on supplies to the USSR of gas-pumping units and drilling equipment, show that such attempts are comparatively less effective than in the case, for example, of oil and, furthermore, are less damaging to international security. An obvious reason for this is the fact that one can hardly imagine the use of military force to safeguard "access" to technology, which at the same time cannot by its very nature be monopolized to such an extent as natural resources.

And, third and finally, a policy of reasonable sufficiency should contribute to a lessening of states' interest in the development of nuclear power engineering.

In the arguments over its future which are being conducted currently in many countries considerations of national security are among the telling arguments of its supporters. In replacing organic fuel in the generation of electric power nuclear power engineering contributes to a reduction in imports thereof and a strengthening of states' energy self-sufficiency and independence. At least two factors will evidently evoke in the near future a new revival of interest in nuclear power engineering. First, the growth of the world oil price in the mid-1990's which is unanimously forecast by all experts. Second, the S&T breakthrough in the sphere of high-temperature superconductivity, which will evidently lead to the creation of new technologies in all spheres of the generation, transfer and consumption of electric power. In particular, we may expect the introduction of fundamentally new methods of the accumulation and storage of electric power (which will make it possible to overcome its principal shortcoming—the need for the synchronization of production and consumption) and the extensive spread of battery-driven cars. As a result there will be a sharp increase in demand for this type of energy, and nuclear power stations could once again prove an attractive solution, particularly for countries which are poor in energy carriers.

It should be noted that superconductivity will also provide an alternative to this: it will help sharply reduce losses and raise the efficiency of the current and new methods (based on MHD generators, for example) of the generation of electric power and also increase the significance of renewable sources, primarily of the sun and wind, a basic problem of which is as yet energy accumulation and storage. Thus there will be an opportunity for

considerably expanding the supply of electric power without resorting to the construction of nuclear power stations. For this reason the political problem of the choice of energy strategy and the corresponding priorities of scientific and investment activity will remain and, evidently, intensify. And the argument concerning a strengthening of national security will undoubtedly be a principal one here.

Indeed, it may be asserted that nuclear power engineering strengthens a state's security, but in the narrow, traditional sense, increasing its invulnerability to outside pressure. We have to abstract ourselves from the economic price and as yet unpredictable ecological consequences of its development here, that is, from considerations of the security of the population in the broad sense. But even in this case such a path could exacerbate old and engender new international problems.

The proliferation of nuclear weapons would most likely enjoy new impetus, first, because the scale of the entire world nuclear economy would grow. Second, because it would evidently be necessary to take the next qualitative step forward—switch to breeder reactors—that is, embark on a "plutonium economy" (only in this case is it possible to talk more or less seriously of the "inexhaustibility" of nuclear energy and also of approaches to a solution of the spent-fuel problem, of which by the year 2000 some 125,000 tons will have been accumulated in the West alone). The key component of the "plutonium economy"—fuel-reprocessing plants and also the plutonium itself traveling all around the world in large quantities—is precisely what is lacking to many wishing to acquire the Bomb.

The proliferation of nuclear weapons will weaken international security not only because these weapons could actually be used in any regional conflict. The correlation of forces in many parts of the "third world" would probably be destabilized even in the event of some country merely embarking on the path of their acquisition. Such steps would, as a rule, cause a retaliatory reaction on the part of neighboring countries, which could even reach the point of preventive strikes. As is known, in military-strategic calculations the perception of reality frequently plays no less important a part than the facts. For this reason such strikes could be inflicted merely on suspicion that the other party to a conflict could obtain nuclear weapons. This was how Israel acted, having in 1981 bombed the Iraqi research reactor. This very example, incidentally, shows that peaceful nuclear programs may cause such suspicions or be used as a pretext for aggression.

The danger of nuclear terrorism would intensify. The growing number of nuclear power stations, reprocessing plants and repositories for fissionable material and the expansion of the scale of its shipment would afford

terrorists new opportunities for capturing such material or destroying elements of the infrastructure, causing radioactive contamination. Bluff and blackmail would also be more effective.

Besides the threat of the proliferation of nuclear weapons, the extensive development of nuclear power engineering could engender and intensify political contradictions between states merely as a consequence of different national strategies in this sphere.

Of the 33 European states, 16 currently have operating nuclear power stations (204 power units in all), and the policy of their leading circles in respect of nuclear power engineering is at times contrasting, what is more. A number of states, as already observed, has decided either to liquidate all nuclear power stations which have been built or not embark on the development of this type of power engineering at all. Others, France, Great Britain and the FRG and also the CEMA countries, for example, are continuing (with varying success) to support a policy of its development. An idea of the nature of the possible interstate conflicts in the soil of nuclear engineering is provided by those which erupted following Chernobyl. Inasmuch as the likelihood of accidents cannot be precluded in principle, such a likelihood would most probably increase in line with the further increase in the scale of nuclear power engineering. Countries with nuclear programs would inevitably sense the unhappiness and anxiety of "nonnuclear" neighbors, which, in turn, would attempt to influence decision-making in these countries via channels of official and "popular" diplomacy (support for and encouragement of the antinuclear movement, for example) or in some other way. Relations between such countries could as a result be seriously complicated by mutual complaints, mistrust and painful suspicion, which would hardly strengthen international security.

And, finally, one further possible negative consequence of the development of nuclear power engineering—the militarization of society. Even today many elements of the atomic infrastructure—fuel enrichment and reprocessing plants, waste repositories—are guarded in the same way as important military facilities (some of them are such). They are guarded against terrorists, against participants in the antinuclear movement and simply because they are particularly important facilities. Transition to a "plutonium economy" would most likely require additional and more stringent measures. But if in 30-40 years nuclear power stations are just as customary a phenomenon as heat and electric power plants, say, are today, the scale of the protection of nuclear facilities and supply lines (international included) could be so great that the militarization connected with this would be an obstacle in the way of demilitarization of states' domestic and foreign policy and progress toward a nonviolent world. It could also come into conflict with the democratic traditions of many peoples, serving as a cause of domestic instability and international tension.

Thus not only from the economic and ecological but also from the international-political viewpoint the future of nuclear power engineering merits serious new analysis. Strictly speaking, this applies also to the whole energy policy which is generally accepted and actually implemented by countries of the world. The reality is such that interest in energy saving, the development of renewable sources and diversification of the energy budget is as yet directly connected with the price of oil. The surge of this interest in the 1970's has now been replaced by a manifest slump. The progressive restructuring of world power engineering is for this reason in need of constant and consistent political support, whose formation should be facilitated not least by the broad interests of international security also.

Footnotes

1. According to figures of the American scholar A. Lovins, considering U.S. military spending on "protection" of the Persian Gulf, one barrel of oil imported from there cost it in 1986 (that is, before the start of the tanker escorts) \$176, although the market price did not exceed \$18; if the annual budget of the "rapid deployment force" were spent on insulating buildings, the United States could manage without oil imports from the Near East almost entirely.

2. According to UN data, the proportion of oil in world consumption of primary energy resources in the mid-1980's amounted to 41.2 percent, of solid fuel, to 32.3 percent, and of gas, to 22.3 percent (estimated from "1984 Energy Statistics Yearbook". United Nations, New York, 1986, p 32).

3. For more detail see SShA: EKONOMIKA, POLITIKA, IDEOLOGIYA No 6, 1987, pp 15-24.

4. L.S. Spector, "Going Nuclear," Cambridge (Mass.), 1987, pp 337-338.

5. N.S. Babayev, B.A. Semenov, A.N. Nersesyan, "The International Atomic Energy Agency," Moscow, 1987, p 36.

6. Great Britain supplied India with reprocessing equipment (obtaining "weapons-grade" plutonium from spent reactor fuel), Canada, France and the FRG, other necessary equipment and technology (see A.B. Lovins and L.H. Lovins, "Energy War: Breaking the Nuclear Link," New York, 1980, pp 33, 38).

7. We recall that clause 2 of article 10 of the Nonproliferation Treaty says: "Twentyfive years after the treaty has come into force (that is, in 1995—A.N.) a conference will be convened to decide whether the treaty should continue to remain in force indefinitely or whether the treaty should be extended for an additional defined period or periods of time."

8. From 1974 through 1986 official oil reserves of the OECD countries grew from 1 million to 133 million tons.

9. At the end of the 1970's-first half of the 1980's Ireland, Luxembourg, Denmark, New Zealand and Australia decided not to build nuclear power stations; a referendum conducted in Sweden in 1980 resolved to liquidate nuclear power engineering by the year 2010 (it currently provides the country with more than 40 percent of its electric power); following Chernobyl, the Philippines and Austria resolved to liquidate reactors which had already been built, and Greece canceled plans to develop nuclear power engineering (see C. Flavin, "Reassessing Nuclear Power: The Fallout from Chernobyl," Washington, 1987, p 63).

10. See "The Global Energy Problem," Moscow, 1985, p 172.

11. Ibid., p 96.

12. In the USSR, for example, annual losses constitute 58 percent of total primary energy in economic turnover or more than 1 billion tons of standard fuel. Yet even given the current level of development of science and technology, they could be halved. Power losses in main power lines constitute 9-10 percent, in distribution systems, 15-20 percent. The halving of these losses would make unnecessary all the nuclear power stations, which currently generate 10-11 percent of electric power (see "Current Power Engineering Problems," Moscow, 1984, pp 23, 64; PRAVDA, 30 November 1984; 4 November 1986).

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Greater Bloc Integration Into World Economy Urged

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[Article by Aleksey Vladimirovich Kunitsyn, candidate of economic sciences, senior scientific associate of the USSR Academy of Sciences United States and Canada Institute: "Socialism: Choice of World-Economic Strategy"]

[Text] The S&T revolution marks a transition from the extensive (predominantly intersectoral) to the intensive (intra-sectoral) internationalization of production. This process, which is essentially only just getting under way, will undoubtedly have far-reaching economic and political consequences and will affect the fundamental interests of socialism. Even today the change in production conditions is radically changing the criteria of management and reorienting producers from national to international value reflecting the advanced world level of the

degree of provision with equipment and the organization of labor. The role of external factors of economic development: foreign competition, the international division of labor and joint labor is increasing. Simultaneously there is a growth in the costs of "independence" of the world market, which puts the national economy under objectively worse conditions and ultimately leads to its opposite—economic and technical dependence.

Compared with the majority of regions of the world, the socialist countries remain to a considerable extent an isolated part of the world economy and do not experience the full might of international competition. The negative consequences of the "hothouse" model of development are manifested in full in the increased material- and labor-intensiveness of production and the low quality of products and services. The lack of economic competition is resulting in commodity shortages and is reflected disastrously in the nature of S&T progress in the socialist countries.

The improvement in the international atmosphere is contributing to the socialist countries' greater world-economic openness. However, movement in this direction is attended by the solution of many complex problems. The central one among them is the problem of economic security, the essence of which is determination of the optimum conditions of interaction with the world capitalist economy.¹ Given the current discrepancy in the levels of productive forces of East and West, there continues to be a real danger of an increase in the technological and financial dependence of the socialist countries on the capitalist "power centers" and the conversion of the world socialist economy into a periphery of the Western economy. Under these conditions the elaboration of a balanced world-economic strategy is an important scientific and practical task.

I

The basis of the changes occurring in the world economy is the conversion of national value (price of production) into international value. As is known, the mechanism of the action of the law of value on the world market and on the domestic market of the commodity-producing country has certain differences. K. Marx pointed to three modifications of the law of value in international exchange: "...more intensive national labor compared with less intensive labor produces at different times greater value..."²; "...more productive national labor is considered to be more intensive also..."³; "...the work days of different countries could relate to one another in the same way as in one country skilled, complex labor relates to unskilled, simple labor..."⁴ As a result "a country which enjoys propitious conditions obtains at the time of exchange more labor for a lesser amount of labor..."⁵

The particular features of the action of the law of value on the world market are ostensibly a consequence of the limited possibilities of the international migration of

production factors—labor and capital. However, in reality the ultimate reason for the modifications are inter-country differences under production conditions, primarily in the level of development of the productive forces, which determine the different possibilities of the intersectoral and intrasectoral reallocation of resources under the influence of world competition. Given the impeded transfer of resources, the difference in production conditions becomes a source of differences between national and international value, and the regulating impact of the latter on national production is confined to the framework of foreign economic relations.

The radical change in the means of production accomplished by the S&T revolution is altering the mechanism of the formation of international value, a substation of which remains socially necessary abstract labor expended on the manufacture of a given commodity, granted world-average socially normal production conditions and a world-average level of productivity and intensiveness. While technical progress is accomplished by the evolutionary path, international value is formed on the basis of the averaged expenditure of the work time of the bulk of world commodity producers. When, however, revolutionary changes occur in the development of the means of production (this happens originally in one or several countries) which increase productivity many times, sometimes tens and hundreds of times over, this not only reduces the world-average socially necessary expenditure of labor but also changes the world-average conditions of production and the level of the productivity and intensiveness of labor. The latter approach the national conditions of production of the country or group of countries accomplishing the breakthrough in this direction or the other.

Until a technical innovation spreads universally, the international value of the commodity is formed chiefly on the basis of its national value in the group of lead countries. Thus any major change in production techniques devalues the expenditure of social labor in the countries which lag behind in its use. This, in turn, is directly reflected in the international economic position of these countries.

Under current conditions the revolutionary replacement of the means of production has assumed a general nature. New techniques are affecting a wide range of sectors and developing continuously, making constant changes to the world-average production conditions. The development of the productive forces, national in form, is becoming international in content inasmuch as it relies on the sum total of world S&T achievements and is set in motion by international competition. An increasingly significant part of the productive forces is losing its national definiteness and assuming international forms of ownership, organization and management. The progress of technology is removing the obstacles in the way of the intra- and intersectoral reallocation of

resources within a national framework and between countries under the influence of world competition, accelerating the process of the conversion of national into international value.

The expansion of the sphere of international competition is leading to the even more dynamic growth of the mass of goods and services whose value reflects not national but world conditions of production and gravitates toward the expenditure of social labor in countries with higher productivity. International value is expanding not only directly—via exchange value—but also indirectly—via use value reflecting the level of national production. Thus both commodities participating in international exchange and those earmarked solely for domestic needs are becoming involved in the sphere of operation of international cost mechanisms.⁶ Accordingly, there is an increase also in the intensity of the international impact on the national economy.

The conversion of national into international value changes management conditions fundamentally. On the domestic markets of many countries, the most developed primarily, exchange proportions in respect of an increasingly wide spectrum of commodities are no longer being determined by the national price of production (cost of production plus profit) but the international price reflecting the advanced level of equipment, technology and the organization of labor. This is forcing producers with higher individual costs under the threat of ruin to raise production to the world level or seek other spheres of the investment of capital. As a result the structure of the national economy is improved and social labor productivity rises.

The sluicing out from the national economy of noncompetitive sectors and types of industry intensifies the international division of labor, which, in turn, also leads to the increased efficiency of national production. The international division of labor means a division of conditions of production between countries, countries' specialization in the production of a particular set of commodities and, consequently, the need for economic complementarity. The growing relationship and interdependence of the national economies is strengthening the unity of the world economy.

Countries which for any reason limit their participation in the said process fall into a disadvantageous position. The greater orientation of their producers toward the national (and not international) price of production via the cost mechanisms in question leads to the economic and technical lag and weakening of the international positions of these countries.

II

The new world-economic conditions are tightening the demands on states' economic policy. The dialectic of the objective and subjective in the economy was in the past studied in depth by F. Engels. Exceptionally valuable is

his observation that "the reverse effect of the state authorities on economic development may be of a triple kind. It could act in the same direction—then development would be more rapid; it could act against economic development, then... it would after a certain amount of time collapse; or it could erect barriers to economic development in certain areas and push it forward in other directions. This case ultimately amounts to one of the preceding ones. It is clear, however, that in the second and third cases the political authorities could inflict on economic development the greatest damage and could bring about a waste of forces and material in a mass quantity."⁷

The problem of the coordination of politics and economics is particularly acute for the USSR and the other socialist states, whose national economy is as yet of a predominantly closed nature and functions in isolation from world competition. Almost three-fifths of world national income is created today in the developed capitalist countries, which lead in the majority of fields of S&T progress. The seven or eight leading capitalist countries account for approximately four-fifths of sales of "operating" (embodied in equipment) technology and nine-tenths of world license exports. This means that the conditions of production in Western countries exert a determining influence on the formation of international value and the price of production. Inasmuch as there is a direct comparison of national with international value in the process of exchange, to that extent the degree of the stimulating impact of the latter on the development of the national economy is directly dependent on the scale of economic interaction with the world capitalist market.

The intensity of the economic relations of the USSR and the other CEMA countries with the capitalist economy is appreciably lower than the world average. Thus the proportion of imports from the West in the socialist countries' gross domestic product constitutes on average approximately 3 percent (in Hungary and, particularly, Yugoslavia this indicator is appreciably higher). For comparison, the analogous indicator in the nonsocialist world constitutes approximately 11 percent, this including 10.8 percent for the developed capitalist countries, 11.9 percent for the developing countries. For individual countries and regions the deviations from the averaged parameters are quite significant (percentage): for the United States this indicator is 7.8; Japan, 9.6; the EC, 22.2; EFTA, 31.5.⁸ It should be considered here that their domestic market also is part of the world capitalist economy. In addition, the proportion of services is very great in the developed capitalist countries' GNP (approximately one-half in the United States), and, accordingly, the dependence of material production on imports there is, as a rule, approximately twice as high as that of the economy as a whole.

A comparison of the relative significance of imports from the West in the GDP of different groups of countries, albeit not an exhaustive indicator, nonetheless makes it possible to evaluate sufficiently adequately the

comparative intensity of the impact of international value on their economy. According to the author's calculations, the intensity of such influence in the socialist countries is approximately 5-10 times lower than in other industrial countries (this is indicated by the figures adduced above also). The missing economic stimuli have somehow to be compensated, otherwise the countries deprived of them would inevitably find themselves under worse operating conditions, which also would inevitably lead to their lagging.

It has traditionally been thought that the absence in the socialist countries of compulsory regulation of national production by means of world competition could be made good indirectly thanks to target planning, socialist economic integration and the improvement of internal economic mechanisms. How legitimate has such an approach been?

Target planning organizes production for the achievement of advanced world frontiers in the decisive areas. It presupposes the balance of production programs and material and labor resources and a link with the development of contiguous sectors. However, as practice shows, the all-around balance of target programs is attainable only in respect of a very narrow set of targets concerning, as a rule, the development of individual industries.

Solving the problem of planned balance at the sectoral level is immeasurably more complex inasmuch as it is necessary to provide for changes in tens and hundreds of contiguous industries. In turn, this presupposes the adjustment of the production programs for the suppliers of the secondary, tertiary and subsequent circles. As a result there has to be provision for fulfillment of even a comparatively narrow target program for the mutual linkage of the production of tens of thousands of types of product, which is practically impossible. In addition, any malfunction causes the derangement of the entire production chain and requires a repeat adjustment of the plans. For this reason it is obvious that the mechanism of target planning does not permit the achievement of a world production level not only on the scale of the entire national economy but even in respect of some wide range of sectors.⁹

The stimulating impact of socialist economic integration has objective limits determined by the national production conditions of the integrating countries. To the extent that they are inferior to world-average socially normal production conditions, "integrated" national value differs from international value. The exchange proportions determined on the basis thereof are less effective in comparison with those of the world market. Their regulating function in respect of technical progress and the structure of production is also weaker accordingly. Thus integration is not in itself capable of doing away with the existing discrepancy between the level of production of the integrating countries and the world-average socially normal production conditions.

As far as improvement of the domestic economic mechanisms of the CEMA countries is concerned, this is an essential, but also insufficient condition of the achievement of a world level of production. Current trends of the development of the productive forces presuppose a decentralization of control, a democratization of management and flexible organizational forms. Adaptation of the economic mechanism to the new requirements will provide for a reduction in the expenditure of social labor and an improvement in the structure and rise in the technical level of production. However, as long as the consumer is deprived of the possibility of free choice between domestic and foreign commodities, national producers will orient themselves toward the national price of production.¹⁰ Owing to the economic regularities described above, it will inevitably be inferior to the international price reflecting a higher level of efficiency. Understandably, under such conditions the world level will not be achieved.

"In order to be as modern, that is, competitive, in terms of quality and efficiency as global competition requires," the American economist J. Hardt rightly notes, "the industrial countries must be open to the best and most inexpensive commodities, regardless of their place of origin. In a technologically changeable world the costs of adaptation and restructuring are considerable. However, the costs of enclosure of the economy are even greater.... Judging by the experience of the advanced industrial countries, not only internal restructuring but also international interdependence are essential for efficiently modernizing the economy."¹¹

Thus the general conclusion is that the achievement of advanced world frontiers of production efficiency is impossible without the constant commensuration of national and international value by means of competition with the commodities of the developed capitalist countries. The more extensive the scale of this competition, the stronger the stimulating impact of the highest world criteria of efficiency on the development of national production. For the USSR and the other socialist countries this means a need for the immediate solution of the problem of the world-economic openness of their economies.

III

Movement toward world-economic openness presupposes an increase in the competitiveness of the socialist countries' commodities on the world market. However, the present state of their productive forces makes this a difficult task. Thus in the USSR more than half the metal-working equipment is more than 10 years old. Yet specialists maintain that the equipment becomes obsolete after 8 years of service.¹² The proportion of new production capacity (up to 5 years old) declined from 46 percent in 1974 to 35 percent in 1985. However, even it far from always provides for the manufacture of competitive products.

Just one of 10 industrial projects being realized corresponds to the world standard. Nor does the modernization of operating enterprises instill optimism. It is necessary to replace 10-12 percent of the machine tools or approximately 600 units of equipment annually at the flagship of heavy industry, the "Uralsmash," to provide for retooling. Approximately 120 machine tools are replaced per year, however.¹³ And this situation is quite typical. It was not fortuitous that the warning was heard from the rostrum of the 19th party conference that in the sphere of S&T progress our "lag behind the world standard is growing and assuming an increasingly threatening nature."

The situation is made worse by the fact that modern competitive production may function only on condition of a sufficiently high level of development of the entire spectrum of contiguous sectors. They have to be capable of responding opportunely to arising needs for new types of raw material, intermediate products, semifinished goods, instruments and equipment. This most important condition is, as is known, lacking in the USSR national economy. For this reason all attempts to organize modern competitive industries inevitably come down to the problem of sub-supplies, and the more ambitious such attempts, the more substantial the difficulties.

Resolving this problem fully within the CEMA framework is impossible (for the very reasons as in the USSR), and the sole way out in practice is imports from the West. But inasmuch as payment possibilities are limited, the range of competitive industries is very modest. Most convincing testimony to this is the commodity structure of Soviet exports to the West, fuel and raw material accounting for four-fifths of which, and machinery and equipment, for only 3 percent.

The contradiction between the noncompetitiveness of domestic products and the need for convertible currency for imports has hitherto been tackled in two main ways—an increase in fuel and raw material exports and the attraction of foreign credit. However, it has not been possible to bring the country to forward positions in world industrial production in this way. The main defect of the fuel and raw material model of "cooperation" with the West has been the undermining of our own S&T efforts and one-sided dependence on the developed capitalist countries. The USSR overstepped its danger line long since, and further movement along this path would be tantamount to gradual technological suicide—the "surge" of individual industries secured by imports would to a growing extent be exceeded by general economic lagging.

As far as foreign credit is concerned, an evaluation of its possible role in an upturn of the Soviet economy should be approached with the highest degree of circumspection, considering the state of the country's production base. There are telling reasons for doubting the justification of the proposals concerning a strengthening of the perestroika in the USSR with the aid of large dollar

borrowings, of several tens of billions, in the West for the purpose of the accelerated modernization of the economy and the creation of powerful export potential.

First, previous experience testifies that Western credit was far from always used sufficiently efficiently. This was caused by both subjective factors and the objective noncorrespondence of domestic operating conditions to the demands made by the market credit mechanism. These include the existence of a developed industrial infrastructure and a sufficiently high level of allied industries and, given their unsatisfactory condition, the possibility of compensation for both by imports; an optimum timescale for the reaching of design capacity; strict compliance with operating conditions; and so forth. An incapacity for satisfying the said requirements inevitably results in the increased one-sided dependence of national reproduction on foreign credit.

Second, it is impossible to guarantee the successful marketing in the West of the products of enterprises created on a credit basis and, consequently, self-repayment of the credit. The experience of a number of CEMA countries (Poland primarily), which in the 1970's underestimated the dangers associated with the exceptionally tough and unpredictable competition on the world market and the likelihood of unfavorable business conditions and which simultaneously overestimated their own production potential, should serve as a warning against new foreign economic miscalculations. Any breakdown in self-compensation for credit requires an expansion of the supplies of nonrenewable natural resources—the country's sole and by no means bottomless export reserve. And conditions for the marketing of these commodities are far from always propitious either. If, on the other hand, it is considered that by the time the credit has been paid off, its actual amount has doubled because of the interest, then, given sufficiently large-scale borrowings, the need for an increase in fuel and raw material exports could assume catastrophic dimensions, and whether all these commodities would find a market is not known.

Third, large-scale multibillion-dollar imports of Western technology on credit would inevitably cancel out one's own engineering efforts in the corresponding fields. In addition, any technology imports from the West always mean a lag behind the most advanced level of production of a minimum of 2-3 years, and more, as a rule. Thus while having obtained, essentially, a one-time (even if extended in time) "injection" of not the most modern equipment, the Soviet economy would as a result be back where it started with a rapidly obsolescent industrial base and undermined research potential.

What has been said does not, of course, mean some taboo on external sources of financing. The attraction of foreign loan capital is an inalienable component of contemporary foreign economic practice. The problem is

its efficient use. The imperatives of the USSR's economic security require strict commensuration of the scale of overseas borrowing and the growth of the competitiveness of Soviet goods and services on the world market.

Big hopes have been placed recently in "self-repaying" forms of industrial cooperation: joint ventures, science and production cooperation, joint production and others. This is undoubtedly a most promising direction of foreign economic "breakthrough". The question, however, is whether production cooperation with the West can reach a level of development which provides the necessary impetus for the surmounting by so large-scale an economy as the Soviet economy of the considerable lag behind the developed capitalist countries with their high rate of S&T progress.

International joint labor oriented toward the production of products competitive on the world market fits ill with strict centralized planning and stored material-technical supply, administrative-command interference in enterprises' economic activity, the low mobility of production factors and supply interruptions. A serious obstacle is the distorted structure of domestic prices and the nonconvertibility of the ruble. In a word, the scale of the joint-labor "breakthrough" to the West will depend to a determining extent on the rate of economic reform in the Soviet Union.

Thus a vicious circle has taken shape: the efficient development of the economy is impossible without world-economic openness and vice versa. The country can break it only on condition of a net influx of currency income. The rate of the USSR's integration in the world economy and, ultimately, the possibility of a reduction in the lag behind the developed capitalist countries will depend on the intensity of original currency accumulation. Inasmuch as the majority of sectors of Soviet manufacturing industry is incapable of securing net income in foreign currency, and an increase in fuel and raw material exports is counterproductive and dangerous, decisive significance will be attached to the directions of foreign economic activity in which there are actual prerequisites (given suitable conditions) for the accomplishment of the said task. The range of such activity could be relatively broad and depend mainly on the degree of interest and work conditions of those which would undertake it.

Considering the scale of the currency "starvation" in the country and the strong role of currency incentives, it would, in our view, be the height of expediency for the period necessary for original currency accumulation to implement the following measures: remove the restrictions on the use by industrial organizations and individuals of their available currency resources; exempt their currency income from taxation completely; abolish all currency confiscations for the higher authorities. Such

measures would undoubtedly raise sharply the interest of state enterprises and cooperatives in exports and stimulate efforts aimed at obtaining currency income.

However, for such measures to be effective it is essential to abandon authorization practice in the sphere of foreign economic activity and switch to registration practice, where the economic units themselves, and no one else, determine the expediency, scale and forms of cooperation with foreign partners, and the higher authorities are merely notified of this, but do not have the right to interfere in the decisions of the production outfits. Given full currency self-financing of the enterprises (thanks to domestic credit and currency auctions included), the income obtained from the export of energy resources would be perfectly sufficient for centralized purposes.

There is a real possibility of a net influx of foreign currency on condition of realization of the said measures, in our opinion, in such spheres as the production and exports of a wide range of labor-intensive industrial products not requiring a substantial Western component; fulfillment of foreign firms' production orders on the basis of subcontract agreements; the granting of a variety of services (production, engineering, consultation, brokerage, medical, transport and others); foreign tourism; realization overseas of the products of intellectual activity. An active driving force in this work could be, it would seem, groups of leased enterprises and cooperatives freed from superfluous tutelage on the part of the state authorities and not weighed down by taxes. It is important to emphasize that the suggested path of expansion of the sphere of world-economic openness would not be detrimental to the economic security of the USSR (but would in fact strengthen it) inasmuch as an increase in relations with the West would take place within the limits of the currency possibilities at the disposal of the Soviet participants in the cooperation. The democratization of foreign economic activity does not do away, of course, with the need for state goal-oriented programs and also special measures to develop exports. It is designed to facilitate and accelerate their realization.

An important aspect of the analysis of the problem of world-economic openness is a critical evaluation of the evolved geographical structure of the USSR's foreign economic relations. It appears today as follows (percentage): the socialist countries, 67, including the CEMA countries, 61; developed capitalist, 22; developing, 11. At the same time, however, the structure of world national income is appreciably different: socialist countries (excluding the USSR), 15 percent, including the CEMA countries (excluding the USSR), 6, developed capitalist, 57, developing, 14 percent. Thus from the viewpoint of the structure of the world economy only the developing countries occupy an economically justified place in the USSR's foreign trade relations, while manifest disproportionality is observed in relations with the other parts of the world.

It may be objected that this situation has come about largely objectively and that it reflects the political and economic integration of the socialist countries and has its advantages. This is undoubtedly correct. But it has to be seen that the current practice is coming into ever increasing conflict with the no less objective process of the internationalization of production. And the damage from such noncorrespondence is being sustained by the Soviet economy and our CEMA partners too, what is more.

Underestimation of current world-economic realities in the economic strategy of the USSR and the socialist community as a whole is condemning socialism to an economic lag behind capitalism. The attempts to cover up the problem of an inadequate structure of world-economic relations by political motivation would seem short-sighted, at least. Would it not be more prudent to recognize, finally, the objective state of affairs, however tough, strange and intimidating it might be, and adapt to it, and not to "convenient" stereotypes of the prospects of the economic development of socialism? It is not, of course, a question of a winding down of economic relations with the fraternal states—they will continue to intensify. At the same time, however, the initial level of the CEMA countries' participation in the world division of labor is as yet very low and makes it possible to combine perfectly well the progress of socialist economic integration and rationalization of the geographical structure of their world-economic activity.

And one further, at first sight petty, but essential observation. In declaring the total priority of mutual cooperation the CEMA countries are thereby, knowingly or unknowingly, actually discriminating against their partners from the capitalist states. It is not difficult to see this for oneself when one familiarizes oneself with, for example, the latest decrees concerning the restructuring of foreign economic activity in the USSR. Contacts with the West (and the developing countries) are regulated in them, as before, more strictly than relations with socialist partners. To a certain extent this is explained and partially justified by the commercial and political practices which are employed in respect of the USSR and the other CEMA countries by the Western states. However, preservation of such practice does not correspond to the economic interests of the socialist countries.

IV

Proceeding from the trends of the development of the world economy and the economic possibilities of the USSR and the other CEMA countries, we can conceive of three versions of their future world-economic strategy.

Version I (optimistic)—intensive integration of the socialist community in the world economy thanks to accelerated currency accumulation. It presupposes the maximum emancipation of economic enterprise and strong measures of state stimulation, primarily the above-mentioned restructuring of currency regulation

and taxation. Essential components of such a strategy in the USSR are an appreciable limitation of the sphere of centralized planning and transition to the market self-regulation of the bulk of the economy; abandonment of party-administrative interference in enterprises' current economic activity; transfer of substantial numbers of state enterprises to the ownership of the workforce (leased, cooperative, corporate); creation of a securities market (shares, bonds, bills of exchange and so forth); deregulation of enterprises' and individuals' foreign economic activity; removal of unjustified restrictions on entering and leaving the country; development of domestic bank and commercial credit in foreign currency; introduction of free convertibility of the ruble.¹⁴

The full set of these and other necessary measures could sharply stimulate foreign economy activity and secure an increase in currency income. Initially it could occur mainly thanks to the non-science-intensive, labor-intensive sectors of production and also services, foreign tourism, intellectual activity and the arts. The prerequisites will be created simultaneously by way of the credit redistribution of part of the currency income for the expansion of foreign economic activity in other spheres.

The difficulties and costs of this path are considerable and are associated mainly with the need for abrupt domestic restructuring and the inertia of society, which is psychologically unprepared for the necessity and inevitability at this stage of the development of socialism of an increase in economic inequality and social stratification and the strict criteria of labor activity dictated by world production conditions. It is necessary on this path to be prepared for active resistance and sabotage on the part of significant numbers of the bureaucratic machinery and the strata which ideologically do not accept social competition. At the initial stages of implementation of the said changes the exacerbation of domestic social tension and conflicts of group interests are inevitable. However, there is evidently no other way of doing away with the economic lag behind the advanced industrial countries.

The positive consequences of the accelerated integration of the USSR and the other CEMA countries in the world economy include a rise in the overall standard and quality of life of the population; the accelerated modernization and recovery of the economy; the more rational consumption of resources; a strengthening of world-economic positions; increased East-West economic and political interdependence and, consequently, the surmounting of the "enemy image" by both sides and an acceleration of the disarmament process.

Version II (pessimistic)—the slowing of perestroika and preservation of the existing model of the participation of the USSR and the other socialist countries in the international division of labor. In the economic plane this

will lead to a further lowering of the level of competitiveness of their exports, a weakening of import possibilities, a growth of the technological and credit dependence on the West, the intensifying selloff of natural resources and a net outflow of national income. Attempts to eliminate the lag in the decisive S&T areas by self-reliance will require an excessive concentration of resources and their diversion from other spheres of the economy. Ultimately these attempts will be undermined by the disproportional structure and general insufficient level of development of the national economic complexes.

The unsatisfactory efficiency of the economy will lead to a further lag behind the developed capitalist countries, increase the magnetic force of the Western way of life and reanimate sociopolitical apathy and cynicism in society. An increase in centrifugal trends within the framework of the socialist community and a reorientation of some East European CEMA participants toward economic, cultural and political relations with West Europe would be inevitable on this path. There would be a narrowing of the economic basis of the USSR's relations with the developing countries. There is a great danger that the relative weakening of the Soviet economy would stimulate forces in the West interested in military superiority to and the exhaustion of our country by an arms race. Ultimately continued isolation from world competition would inevitably lead to economic and social stagnation, the rehabilitation of the command-compulsory methods of state administration and the undermining of the internal and international security of the USSR and the other socialist countries.

Version III (compromise). Neither the first nor second version is hardly possible in the near future. The first inasmuch as the social conditions are not yet ripe for such radical changes. The second owing to objective economic inexpediency and the irreversibility of certain aspects of perestroika. For this reason the compromise version combining the need for radical reforms and an endeavor to protect the sociopolitical status quo would seem more likely. Under these conditions the prospects of the economic development of world socialism will be determined by the correlation of reforming and conservative principles in its domestic policy.

It should be emphasized that the compromise version does not provide for the conditions for the complete elimination of the economic lag and its negative consequences in the domestic life and foreign policy of the socialist community countries. Given the current pace of the S&T revolution, any delay, particularly in the initial stages, could have irreversible consequences in the economic competition of the two systems.

For this reason a most urgent task of the CEMA countries is an acceleration of perestroika and the utmost stimulation of social forces capable of accepting the historic challenge and securing the upsurge of socialism to the highest world frontiers.

By whatever way the further development of socialism proceeds, the prospects of the changes in the other industrially developed regions of the world have shown through with sufficient certainty. Accomplishing a radical change in the means of production, the S&T revolution is creating the prerequisites for man's transition to a higher economic civilization, a most important distinguishing characteristic of which is the gradual elimination of international economic barriers. This movement is not rectilinear and not conflict-free, will proceed through the struggle of contradictory social interests and will occupy a long historical period. But it is irreversible inasmuch as it has been brought into being by the objective requirements of the productive forces and may be broken off only given the disappearance of the corresponding material conditions of production, as the result of a devastating war, for example. Internationalization of the economic basis signifies movement toward a more rational organization of the world economy based on increased productivity and a savings of social labor. The prospects of the socialist countries' participation in this historically progressive process will depend on the extent to which their economic policy corresponds to the objective requirements of modern production.

As far as the domestic social "price" of perestroika is concerned, it is appropriate to recall M.S. Gorbachev's words at the ceremonial session devoted to the 70th anniversary of the October Revolution: "...how much, comrades, can any costs scare us! Of course, costs are inevitable in any undertaking, in something new even more. But the consequences of running in place, stagnation and indifference are far more considerable and costly than the costs which will for a certain time arise in the process of the creative building of new forms of social life."

Footnotes

1. At the present time 24 million different products are produced in the USSR, for example, and considerable numbers of them are connected directly or indirectly with imports. There is an absolute and relative increase in the imported constituent of national reproduction in line with the country's economic and S&T development. The aggregate list of manufactured products is lengthening also. Under these conditions an increase in competitiveness and the growth of the exports of goods and services securing the necessary currency resources for imports are increasingly important prerequisites of the continuous functioning of the national economy. An incapacity for guaranteeing the appropriate level of export proceeds (given an abrupt change, for example, in world-economic conditions, as occurred in 1986 in respect of supplies of Soviet energy to the West) could result in the derangement of reproduction relations, and given the chronic noncompetitiveness of exports, paralysis of the national economy. As a whole, the essence of the "economic security" concept may be defined as preservation of a level and structure of national production which provide for the possibility of its adaptation to

changing world-economic conditions without the threat of the appearance of long-term one-sided dependence on external sources of economic development.

2. K. Marx and F. Engels, "Works," vol 23, p 571.

3. Ibid.

4. K. Marx and F. Engels, "Works," vol 26, pt III, pp 104-105.

5. K. Marx and F. Engels, "Works," vol 25, pt I, p 261.

6. The mechanism of the transfer of international cost parameters to the national economy by means of use value would seem to be as follows. A country producing for domestic consumption a product inferior in use properties (quality, productiveness, economy, reliability, work rate, ecological compatibility, weight, size and, possibly, aesthetically even) to a foreign product of analogous purpose is also more extravagant in respect of national expenditure of social labor, in the production of export commodities included. The imported equivalent of such exports reflecting more efficient international production conditions represents a lesser amount of socially necessary labor and effects a reduction in national cost to the international level. It is perfectly understandable that this mechanism begins to perform a pronounced role only given the sufficient involvement of a country's economy in world-economic relations.

7. K. Marx and F. Engels, "Works," vol 37, p 417.

8. Estimated from MEMO No 6, 1986, p 151; NO 11, 1987, pp 148-149; OECD, MONTHLY STATISTICS OF FOREIGN TRADE, August 1987.

9. In the light of what has been said the fact of the successful and relatively extensive use of target programs by many Western countries may be perceived as paradoxical. It needs to be considered, however, that these programs are based on a more developed spectrum of contiguous sectors (both within a national framework and on the scale of the whole world economy) and the existence of reserve capacity, raw material and manpower. This makes it possible to plan only the key goals and indicators, farming out to the market concerns for the current balance of production. The socialist countries' access to the said resources is limited as a consequence of the insufficiently high competitiveness of their exports.

10. A legitimate question is: how strongly engaged are cost levers and stimuli in the national economy of the socialist countries, in the USSR particularly? It may be said in this connection that centralized planning and the allocation of resources appreciably modify the intensity and directions of the "cost fields," but do not cancel the action of the law of value in the socialist economy. As the socialist countries' world-economic activity is stimulated, internal cost proportions will gravitate increasingly toward international cost proportions.

11. J.P. Hardt, "Perestroika and Interdependence: Toward Modernization and Competitiveness. Comments for Panel of the U.S.-USSR Trade and Economic Council Meeting," Moscow, April 1988, p 15.

12. See MEMO No 5, 1986, p 29.

13. KOMMUNIST No 11, 1988, p 26.

14. The optimum solution of the problem of ruble convertibility could be, it would seem, a mechanism of contract convertibility. It presupposes endowment of the Soviet legal entities entering into economic (primarily joint-labor) relations with foreign partners the right to determine and record in the contract a currency exchange rate and other terms of bilateral currency payments mutually acceptable to the parties. This would make it possible to introduce ruble convertibility gradually and painlessly and in an organic link with an expansion of foreign economic activity. And, furthermore, the budget would be rid of the burden of covering a deficit balance of foreign trade transactions, ceding this "privilege" to their immediate participants.

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Dialogue on Restructuring of International Relations

18160006g Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA in Russian No 1. Jan 89 pp 58-70

[Dialogue between V.P. Lukin, doctor of historical sciences, and A.Ye. Bovin, political observer of IZVESTIYA: "Restructuring of International Relations—Ways and Approaches"]

[Text]

We are restructuring in a restructuring world. And an important condition of the success of our perestroika is the correct and timely consideration of major changes in world politics and in the structure and content of international relations. Whence the urgent need for discussion of the paths of evolution of international relations in the broad context of the problems of present-day civilization and the new political thinking. In this connection we offer for the readers' judgment a dialogue between V.P. Lukin, doctor of historical sciences, and A.Ye. Bovin, political observer of IZVESTIYA.

V.L. Shall we, perhaps, pay a tribute to pedantry and begin with a definition?

A.B. I fear that we would become bogged down in definitions, in an argument over nuances and hair-splitting. What if we try to stick to "simple" common-sense? I suggest that we adopt as a working definition: "world politics": (i.e. activity and interaction of states in

the international arena; "international relations": the system of actual relations between states operating both as a result of their actions and as a kind of medium and space in which world politics exists. Besides states, the subjects of and participants in world intercourse are various movements, organizations, parties and so forth. World politics is an active factor shaping international relations. International relations, changing constantly under the impact of world politics, in turn, influence its content and character.

If you have no wish to go more deeply into the definitions, let us begin with the present situation in the world. Where are we? Where are we going? What are our surroundings?

V.I. The most general answer is that civilization, what may be called the sociosphere, is going through a critical, crisis phase. One has the impression that the grinding of the mills of the machinery of Judgment Day is becoming increasingly distinctly audible. The nuclear age has made a reality of the prospect of man's suicide.

Note a significant and menacing portent: Adolf Hitler—this most likely candidate in terms of stamp of character and ideological principles for world Herostratus—was on the verge of having obtained the technical means for realization of such a "project". But, after all, in our time also there is in the dark alleys of the world political demi-monde no shortage of figures with the ideological and pathological characteristics entirely suitable for such a "mission". And the technical possibilities are becoming increasingly broad, mass-produced and accessible from year to year.

And yet it is not only a question of the nuclear factor. Ecological death is already a reality also. We are living quite serenely in expectation of a final judgment—the kind of fate in store for us and our children because of the "unuse holes". Is this a "disaster portent" or the disaster itself? There is no clear answer. And yet last summer the greenhouse effect made people's lives real torment on vast continents.

In Africa the desert is continuing its inexorable advance on people and condemning them to a hungry death. There monstrous drought, while in our country insensitive and self-interested bureaucrats and technocrats who are stubbornly clinging to the conversion of Baykal and other water treasures, ours and of all mankind, into filthy stinking pools are by no means, unfortunately, yielding their positions. Man has already been prohibited from setting foot on Baltic beaches. And in the south, what is happening there—is the water better or control worse? No one knows.

The technosphere is getting out of control. It is increasingly creating itself and for itself, advancing on nature, and part of this nature is man. Advancing with the help of the Quindings of the human race—the technocrats. This is happening in all countries. This is threatening all mankind.

Thus the main problems of contemporary international relations (and world politics) go beyond the framework of relations between states proper and are becoming international problems and the sphere of the activity of diverse and broad forces. The internal and external aspects of national reality are becoming increasingly less clearly delimited. Increasingly broad seams of the population are entering the circle of direct and indirect international relations.

A.B. Yes, people are beginning to understand that politics, big politics, cannot be left to the "authorities," to the political elite. These same "authorities" have committed too many follies. Awareness of impending disaster is teaching, stirring the consciousness and involving the masses in politics. Nobody feels good anywhere. "General social animosity," such is J. Fourastie's diagnosis. Roughly the same evaluation, but with reference to the international aspects of the general crisis is made by the Soviet scholar Ya. Slepukhin, who writes: "The Earth's noosphere is poisoned by fear and mistrust and the mutual animosity which these two feelings inevitably engender." This situation cannot go on for long, and for this reason there is a need for changes everywhere. It is these that are—to take the man-psychological aspect—the signs of a crisis of civilization and, consequently, the system of international relations.

The causes could be argued ad infinitum. I would distinguish two. First, the pronounced lag of social progress behind S&T progress. And second, the extreme unevenness of world (socioeconomic, political and so forth) development. The scale of events manifestly exceeds the capacity of people (leaders) to control the course of them. In all spheres of activity the ruling groups have been unable (or unwilling) to subordinate the S&T revolution to the general good and have proven incapable of realizing repeatedly proclaimed programs for the humanization of the conditions of man's existence. Reason and progress have discredited themselves. Here are the sources of the great disappointments of the 20th century. And rigid competitiveness, the prenet ideological nature of the suggested diagnoses and methods of treatment and their programmed incompatibility have become a source of distrust, general suspicion and acute confrontations.

Permanent tension, instability, the triumphal march of militarism, incessant "small" wars, the exacerbation of ethnic and religious conflicts—thus does the crisis of civilization express itself at the level of international relations. The patchwork and mosaic nature of the political map of the world, which is visible to the naked eye, corresponds to the motley nature, heterogeneity and diversity of social, national and state interests, which clash, interweave and interact in the space of world politics.

And these politics themselves are in their content becoming increasingly less political, what is more.

What, say, did Prince Bismarck and Prince Gorchakov discuss? What preoccupied them? They would distribute and redistribute spheres of influence and equalize and balance—in terms of power, of course—one another's interests. These were the politics which suffused international relations. "Spheres" remain now also, it is not that customary to talk about them. But of increasingly great relative significance in world politics are different problems—economic, S&T, cultural. Discount rates, currency rates, balances of trade and payments, cultural exchanges—this (and much else) is the preoccupation of the present-day Bismarcks and Gorchakovs. This does not mean that there has come to be "less" politics. It means that there is a growing politicization of social relations and that traditionally nonpolitical problems may be solved only by political methods—agreements at state level and the formation of regulatory political mechanisms.

V.L. Politicization has traditionally been associated with the increased contrasting nature of boundary lines. But in a world in which the main political interests are becoming the interests of all, the situation is far from traditional. The most heterogeneous societies are experiencing identical needs and living with similar difficulties. On the one hand imposing new differences and contradictions are intensifying and surfacing. On the other, however, the dividing lines between systems and states are becoming less clear-cut and more blurred. "The world is out of joint," as the Danish prince exclaimed in his time and in his world.

The dynamism and rapidity of the changes are certainly a principal characteristic of the present world and system of international relations.

Even quite recently, within our memory, everything was so simple: two blocs, two systems. And the developing colonial and semi-colonial world. Whence was born the alluring allegory: two classes and the intermediate strata. A Comintern allegory on the debris of the Comintern. The smile of the Cheshire Cat.

A.B. As regards the cat, I am not sure, I did not meet it. But this outline "worked" perfectly well in former times.

V.L. You did not meet it because the cat had already disappeared. But its smile, as we know from "Alice in Wonderland," remained. The same with the "bipolar world". It emerged as the result of WWII. Germany and Japan were defeated and disappeared from the body of leading actors on the world stage; Britain and France were severely weakened and became "junior partners" dependent on the United States. China was rent by civil war. India was taking the first hesitant steps en route to the acquisition of its own statehood. The old "concert of nations" had disintegrated. A new one had yet to take shape. There remained on stage, filling it, the United States, which had sharply increased its might and become a global power. Moving onto the stage—no longer as the "first socialist state" but as a "power"—was

the Soviet Union, racked by the war and Stalinism, but possessing tremendous military potential and controlling its allies—the "people's democracies"—with the same Stalinist methods.

Bipolarity became after the war an objective reality of international relations. And it dominated world politics for at least 15 years. Elements of this bipolar structure have persisted to this day—in the military-strategic, particularly nuclear, sphere.

It would be useful, evidently, in discoursing on the structure of international relations to distinguish two planes: the social and the political. The social is more inert. And here, in my view, the world—granted all the conceivable reservations and clarifications—remains basically bipolar, two-terminal: East and West, socialism and capitalism. You are right: interformation boundaries—both within states and between states—are becoming penetrable, shedding clear-cut outlines and becoming blurred. Nonetheless: aut-aut, tertium non datur. In any event, not yet. This is why, in my view, we may speak of the social bipolarity of our surrounding world.

With politics things are different. They are not a mechanical counterpart and mirror reflection of social relations. They possess relative independence and their own degrees of freedom. For this reason social bipolarity is not now reproduced in the political plane, where, other things being equal, the role of such polarizing factors as the socioeconomic and ideological factors may be reduced. The political configuration is more complex than the social configuration.

V.L. Nor is everything that simple and two-dimensional as regards the social factor either, in my view: this simplicity is often the result of the recognized or unrecognized substitution of the ideological factor for the social factor.

In my view, international-political reality was strictly ideologized from both sides. Bipolarity was fed by the dogmatic outline of some metaphysical dichotomy and struggle of absolute evil against absolute virtue. The doctrine of two camps opposed to each other in all spheres of human existence was born in our half of the field. The goal was the total triumph of the "camp of peace, democracy and socialism," which was in fact equated with the ultimate victory of communism. For its part, the "free world" had first to contain and then roll back and wipe from the face of the earth "totalitarian communism". As it was later, quite recently, put: "throw it onto the garbage heap of history". Such was the counter-crusade.

A.B. Life, as is known, took a different path. The world which even at the very height of bipolarity had in many dimensions been quasi-bipolar, disintegrated.

The Soviet-Chinese disagreements and the flashes of armed conflicts between socialist states showed that the world socialist system had ceased to be a united political and ideological formation. Relations between states of the world socialist system revealed their inner contradictoriness and conflict potential.

In the other subsystem of world international relations encompassing the developed capitalist states U.S. domination came to an end. The formation of centers of economic and political power in West Europe and Japan began and continues. It cannot be ruled out that as new countries and regions become drawn into the orbit of the developed capitalist world, new centers thereof will take shape also.

Finally, in the context of the transition from bipolarity to multipolarity the "third world" is of tremendous interest. It is said that there is even the science "third world studies". I do not know about a science but the "third world" itself—despite the growing differentiation—remains as yet, albeit part-colored, albeit contradictory, an entirety. It is united by the past, backwardness, peripheral character. It is united by the feeling which the poor and the weak experience in relation to the rich and powerful. In time the subsystem of international relations represented by the "third world" will lose its independent significance. But in the foreseeable future—and the nonaligned movement emphasizes this—the "third world" will remain an independent character on the stage of world politics.

Generally, the geometry of the world is becoming more complex politically, and world political space is becoming increasingly multi-dimensional. And this means that the tasks of practical diplomacy are becoming more complex also. After all, to translate the given system of relations from condition A to condition B (and it is to this that all foreign policy tasks amount) it is necessary to consider far more constant and variable values than previously.

V.L. The disintegration of bipolarity has increased interest in the West in geopolitical interpretations of the changes occurring in the world. This is a well-trodden path with a wealth of centuries-old traditions. And works have arisen here in the latter half of the 20th century designed to explain what is happening now by examples of the times of the Napoleonic wars and the Holy Alliance. The most resounding success on the geopolitical team has been that of H. Kissinger. Incidentally, in our country also attempts to go beyond the framework of Stalin's ideological dichotomy have basically merged with the geopolitical channel—studies of the "triangle" (USSR-United States-PRC), "tetragon" (the same plus Japan) and "pentagon" (the same plus integrating West Europe) concepts have begun.

A.B. The geopolitical section of international relations is a reality. On the place on the globe occupied by this state or the other the direction and intensity of its foreign

policy efforts largely depend. And the less the role performed by military-strategic factors—and we welcome this—the more pronounced the significance of geopolitical, geostrategic considerations will become. The geopolitical approach reflects most important features of international life and for this reason serves as a basis of political realism.

V.L. It does reflect them, of course. But only partially, and increasingly less, what is more, as what we call interdependence grows. Just consider what the modern world represents. It may conditionally be portrayed in the form of a grid of parallels and meridians. The meridians are interstate relations. The parallels, through communications linking various state associations in a common, interconnected structure. It seems to me that the meridians are becoming increasingly faded lines on our globe inasmuch as the parallels appear increasingly bright. They have not as yet taken possession of the controlling block of shares of the "World Politics" enterprise but it is already felt that time is bringing this closer. Yet the geopolitical factor of international relations means solely the meridional lines. In other words, the geopolitical approach is gradually being replaced by the planetary approach. There are increasingly more planetary affairs. A planetary mass consciousness is taking shape.

An important symptom of the formation of this consciousness is the new political thinking with its emphasis on the priority of values and interests common to all mankind over class and group interests. After all, nothing appears in a void. Ideological constructs included. These are a reaction (belated, what is more, unfortunately) to the fact that common inter-nation and inter-class interests are becoming increasingly significant and visible. More precisely, an adequate ideological reaction to the growing mass recognition of this fact and, accordingly, to the growing mass skepticism in respect of the strict ideological dichotomy with its characteristic mythology of the horrors of the "other world" and the mythological laudation of "our world"—as a priori "better and progressive," to recall the formulas from the poem "Terkin in the Other World".

A.B. I do not entirely catch the connection between your metaphors and geopolitics. In my view, the planetary approach does not cancel out the geopolitical approach but coexists with it. However dense, saturated and superplanetary the network of interactions and interdependencies is, it will be superimposed on stable, static geopolitical imperatives.

But let us leave geopolitics. The problem of the correlation of interests common to all mankind and class interests on the international scene which you raised is more important and interesting.

A primitive, vulgar understanding of the "class approach" was predominant for a long time. Class analysis (that is, ascertainment of the interests of various

classes and social groups and an evaluation of the "weightiness" and role of these interests in the practice of international life) was employed not as an instrument of science but as a kind of "master key" appropriate always and everywhere and in all of life's contingencies, and for this reason inappropriate.

Now, I fear, some comrades are going to the other extreme. What "classes" here? What "class antagonisms"? All this is retrogression, dogmatism, yesterday's science. What about the present day? "National interest," it transpires, which is embedded in the world process by "national states," is driven by history (MEZHDUNARODNAYA ZHIZN No 6, 1988, pp 5-7). Relations between "East" and "West," socialism and capitalism, it transpires, are not antagonistic, and the policy of peaceful coexistence is, accordingly, positioned somewhere on the other side of class interests. It turns out that the struggle of the two opposite systems is no longer the leading trend of the modern era. The said theoretical innovations, as far as I understand it, are seen as an effect of the proposition concerning the priority of interests common to all mankind over class interests.

We are faced, it seems to me, with a typical instance of antidogmatism appearing as that same dogmatism, but with a different sign. It is very good that we are finally ridding ourselves of osteochondrosis of thought. The socium is not reduced to class relations and is not exhausted by them. States' policy in the world arena is determined not only by the economic interests of the ruling class but also by many other factors, "national" ones (and geopolitical ones, incidentally) included. The sphere of operation of peaceful coexistence is far wider than the sphere of the opposition and confrontation of the two systems. All this is so. And, I repeat, it is very good that we have begun to depart from the primitivism foisted on science by the ideology which was predominant in the 1930's-1970's.

But no antidogmatic incantations can expel classes from sociopolitical reality. Nor can the strategems of world politics be understood without consideration of the role of national and religious interests, geopolitical considerations, historical traditions and the personality characteristics of politicians. But we would not get far in an analysis of international life were we to cast aside as dogmatic ballast ideas concerning the role of classes and the class struggle in social progress and the role of economic interests and the groups associated with them in world politics. Of course, these ideas should be developed, subjected to revision and reinterpreted. It is obvious even now that the fundamental restructuring of capitalism in the latter half of the 20th century has complicated the class structure of society, blunted (if we refer to the industrially developed countries) and made less acute the social antagonisms and changed the forms and methods of class struggle. And I do not rule out the fact that the problem of classes and class struggle could outgrow the classical Marxist framework as capitalism is further transformed. But there are no grounds as yet, it

seems to me, for such radical conclusions. And, what is more, it would be useful to remember that the majority of mankind lives in the "third world," where values and priorities are determined not by the presence of the Bomb but the absence of Bread....

The priority of values common to all mankind, interests common to all mankind? Yes, of course. But it would be a mistake to believe that these values, these interests are located in some supraclass or nonclass space. The sphere of what is common to all mankind is the sphere of the intersection and concurrence of interests of the most diverse classes and social groups. The expansion of this sphere is a fundamental feature of our times. But that which is common to all mankind does not supplant the class aspect but is combined with it and subordinates it to itself. In signing the INF Treaty the U.S. President was thinking primarily about the interests of the U.S. ruling elite. And he, the President, is evidently not "to blame" for the fact that the said interests coincided both with the "national interests" of the United States and interests common to all mankind.

Logic is binding. If we believe that socialism is "winning" the peaceful competition with capitalism, but our partners think otherwise, if we are convinced that socialism (communism) is designed to "replace" capitalism as the prevailing type of social arrangement, but our partners are convinced of the reverse, no interests common to all mankind will remove the fundamental antagonism of the two world systems.

V.L. I believe you are right in that what is common to all mankind does not supplant the general class aspect but is superimposed upon it, as it were. But in being superimposed it pushes it aside inasmuch as it becomes the main and most pertinent aspect. The predominant contradictions of our—and the coming—time are, in my view, first, the contradiction between the threat of general nuclear annihilation and the aspiration of all mankind (all nations, strata and classes, including those struggling among themselves) to physical survival; second, the contradiction between the objective process of the accelerating expansion of the technosphere and the materialization of the specter of ecological catastrophe accompanying this process; third, the "North-South" contradiction, which has global social parameters and does not fit fully within the traditional class antagonisms; fourth and finally, the growing discrepancy between the quickening changes in global reality and global being and the traditional notions concerning this reality and this being (the "struggle" between these "two systems" would seem to me more important than any other struggle).

As far as the "present day of science" is concerned, it is characterized by a search for more complex and dialectical, less mythologized correlations between such a phenomenon as the struggle-coexistence of the two systems (more customarily expressed not so long ago as camps) and the present—highly dramatic—stage of the

search for a socialist alternative among "them" and a search for optimum versions of socialist development with "us" ("more democracy means more socialism") and a revision of the socialist orientation concept in the "third world".

What I am saying now is not new dogmatism. It could be were it to refuse you the right to publicly express your viewpoint and force everyone to reiterate something similar to mine.

A.B. Thanks for the so far-reaching free-thinking. Search is all very well. But when people start to concertedly burn down what they had worshiped, it is difficult to recognize this search as scientific. What if the "authorities" do not give the "secret word"?

V.L. This is an emotional reaction. There is always such a problem. I also harbor complex feelings in respect of political scientists who have "suddenly seen the light". But I personally have nothing to burn—I, like all mortals—have often been wrong, sometimes, sinful, and have not taken what I had been saying to its conclusion but I have never spoken the opposite of what I am saying now, and since it has come to be a question of the "authorities," my relations with the "authorities" and their "secret words" have far from always been smooth. But "one way or another," our task now is not the preaching of morality but a search for the truth.

A.B. Subsequently, without emotion. The last of the "predominant" contradictions of our time which you listed evidently came to be there by a misunderstanding for it pertains to all times (social consciousness, if you'll pardon me, has a tendency to lag behind social reality). As far as the other contradictions are concerned, they testify, as said earlier, to the crisis of modern civilization and have been caused on the one hand by the unevenness of social progress and, on the other, its lag behind S&T progress. And to the extent to which these contradictions pose the question: to be or not to be for mankind, their solution is a matter for all mankind. But there is another question also: what kind of mankind, and there is, accordingly, another contradiction also: between competing models of the future. In the first case we are dealing with storms playing on the surface of social and political life. In the second, we are becoming immersed in the depths of history and coming into contact with the main stream of social changes, the fundamental regularities of the evolution of capitalism and socialism and, consequently, with the leading trend of the modern era.

I foresee the objection: in the course of the struggle for survival and for curbing the furious technosphere models of the future could emerge which are not encompassed by present practice and present theory and which would not be confrontational but convergent. Very well, such logic—the logic of convergence—is also possible in

principle. But it would require a radical restructuring of theory to abide by it. What do you think, are we ready for this? Or, more "objectively," are there serious grounds for this?

V.L. It all depends on what is understood by convergence. After all, words are dangerous things. We may call criticism carping, as we may call carping criticism. We may call convergence a natural endeavor to find forms of coexistence and communication (ideological included) in an increasingly interdependent world adequate to current requirements and realities. But in a certain sense I am against convergence, merger. In the conceptual, ideological sense.

The point being that convergence is understood as the fusion in one of different ideological systems. Such a fusion, even if it were possible (which I personally strongly doubt), would mean standardization. And a standardization of ideas is the other side of the utopia of like-mindedness with which we are so familiar. In the real world there are different ideologies, but world politics, particularly in an interdependent world, is one. And here I would like to recall the philosopher's statement that "the essence of the philosophy of life is determined more by the interpretation of a value than its conventional symbol." I believe that the restructuring of international relations is impossible without a restructuring of our world understanding. But this restructuring of world understanding absolutely must not lead to the creation of some conceptual symbiosis. It is essential to perfect our own interpretation consisting of evolved, comprehensible symbols which are customary for us. This will be not convergence but unity in diversity.

A.B. But as long as no "symbol system" displays theoretically a recognized aspiration to "conceptual symbiosis," we will not rid ourselves of confrontation on the world scene. And the main, leading trend of the era will remain the contest of opposite "symbol systems" and struggle for choice of historical path, that is, struggle of socialism and capitalism.

This determines also the social content of the policy of peaceful coexistence. Its general purpose is the preservation of peace, a strengthening of general security and constructive cooperation, which in our era corresponds to the interests of all classes and all of mankind.

I will venture to put it thus: the policy of peaceful coexistence is "in itself" neutral in respect of classes. It promises all identical values—peace and cooperation in the name of life. But classes and ruling groups are not neutral in respect of the policy of peaceful coexistence. Each class, each contending force inevitably uses this policy for its own specific ends—peacefully "outdoing" its partner (social opponent) and directing historical development into the desired channel.

V.L. What you are talking about is still reality, what I am talking about is already reality. There are, of course, classes and there is class struggle. And it is an appreciable factor of world politics. But, first, classes have ceased to be classical, second, the struggle between them increasingly resembles a boxing match in which the contestants do not notice that the ring is being pulled away from under their feet and, third, I repeat, we need to study actual social and class processes, separating them from the "demons of the world clash" of good and evil which are still in our heads. And, finally, the choice of "historical path" is by no means necessarily a hard-and-fast "either-or" choice between two systems. Remember Hegel's term "Aufheben".

Your negative attitude toward the "world government" idea should evidently be seen in this context. But there are other opinions also. Should not the discussion continue?

A.B. In disavowing the "demons of the world clash" you would like, as far as I understand it, to replace the two "demons" with a larger number of them (yet another "or"). I am not sure that an increase in the number of participants in the struggle in itself makes it less acute. Nor does Hegel's "Aufheben" help: it returns us to convergence....

Switching from demonology to science, I would like to observe that physics, while having ceased to be classical, has enriched itself appreciably and remains physics. This is the first thing. Second, the boxers have noticed the oscillations of the ring and are attempting to change the rules of boxing.

As far as "world government" is concerned, two questions need, in my opinion, to be distinguished here. "World government" is as yet a utopia. Neither class, nor state (national) interests will permit it. We recall Hegel. "The attitude of states toward other states," he wrote in "Philosophy of the Spirit," "is variable; there is no prior to resolve a dispute, and the highest prior is only a universal existing-in-itself-and-for-itself spirit, the world spirit." This is still how things are today.

However, behind the somewhat naive formulation of the question concerning "world government" there appears an entirely real and increasingly distinctly perceived need—to consciously regulate international relations and control them. Incidentally, this also is an interest common to all mankind. Its realization is already bringing about an increase in the role of international organizations and international law. In the future—if the relaxation of international tension goes far enough—we will witness the self-limitation of sovereignty and the endowment of international organizations with supranational functions.

V.L. It is important here to separate the desired and the possible. What is possible today, tomorrow and the day after tomorrow.

It may be put thus: there is still a long way to go to "world government," but the de-ideologization of international relations and the formation of inter-nation coordinating structures—both global and regional—is making rapid headway.

A.B. I have the impression that the "ideology" concept is being used now—like the "pluralism" concept recently—solely in a negative context. My question is in this connection: what do you understand by "de-ideologization of international relations"? I recently read in MEZHDUNARODNAYA ZHIZN that there is, apparently, a "principle of the de-ideologization of international relations". We are good at concocting "principles"....

V.L. Why the irony? "Principle" sounds cultured. And the journal you mention has recently been endeavoring to appear educated.

As far as de-ideologization is concerned, I understand things as follows. De-ideologizing international relations is, of course, impossible, as de-ideologizing a single aspect of man's social being is impossible. Whether you like it or not, ideology "envelopes" all spheres of human activity, including, of course, international activity.

Professional philosophers may, possibly, not agree with me. But I understand ideology as self-orientation, as the will to achieve a goal wishing to appear as knowledge and garbed in moral clothing more or less attractive for the corresponding environment. The fewer in this construct or the other the elements of objective knowledge and the more of moralizing, edifying will, the more assertive, striking and handsome the ideological brilliance. I do not recall which philosopher said: "Ignorance is, of course, bliss. But in order to be blissful ignorance has to be total." Thus in the construct of postwar international relations built on the Comintern "class against class" association there was a very great percentage approximation to ideological bliss—more with every passing year. And in this, only in this, sense de-ideologization is essential. The suffusion of our self-orientation in the world with a qualitatively different quantity of objective knowledge is necessary.

In other words, de-ideologization is essentially an increase in the proportion of objective knowledge within our vision of the world. And thereby a lessening of the intensity and brilliance of dogmatic tension and a dulling of the shine of edifying moral indignation and, consequently, of the ritual-dogmatic identification of one's own course in international affairs with the a priori true course.

A.B. Let us be more specific. The "de-ideologization" concept returns us to Marx, who believed that any ideology is false by definition. Given this approach, de-ideologization is an undoubted blessing for it signifies the substitution of true ideas for false ones. But dozens of monographs and countless multitudes of articles have

been written "since Marx" proving that our ideology, Marxism-Leninism, is a scientific ideology coinciding with objective knowledge. And if this is so, we should aspire to the maximum ideologization of international relations for only in this case may they be correctly understood and made an object of control and purposive restructuring. So what to do?

V.L. Why stress the words "if this is so," when we know full well that this is absolutely not so. Discussion of our ideology, its evolution and its present state is a particular, lengthy and complex discussion. Marx's legacy is its first, but by no means sole seam. And excavation of these seams will doubtless show that mythology which is preceded by the adjective "scientific" does not for this reason alone cease to be mythology.

I believe that in principle any ideology (that is, self-awareness and the awareness of a particular social group) may include both false and true elements. Their correlation depends on the objective situation and the historical role of the given social group.

Formulation of the question of the de-ideologization of international relations is not so much an abstract-philosophical as specific-political problem. We propose the liberation and purging of relations between states of dogmatic prejudices, class narrowness and messianic self-assurance. It is necessary to cooperate and interact, but this is impossible, specifically, without a clearing of the conceptual field for elimination of the "enemy image". And, furthermore, the "renunciation of the enemy image" formula needs to be clarified and extended. If by this formula is understood a tactical move to improve the notion of oneself under conditions where actual business is unimportant and it is necessary to somehow entice and "charm" the enemy, this is simply deception and an illusion and for this reason self-deception also. For it is self-deception to consider the enemy a fool as well.

In MEZHDUNARODNAYA ZHIZN No 7 for 1988 two young and capable authors published the article "The Soviet Union in a Changing World". A sensible article, in which there is much that is interesting. But this is what they write in conclusion: "We currently have two versions of policy, that is, 'of search for new ways of counteracting the global offensive of imperialism'." Version No 1: "compensating for the relative weakening of our economy by means of an increase in the proportion of expenditure geared to foreign and military policy." Version No 2: "reducing the gap between our economy and foreign policy and thereby lessening the burden of the first and strengthening the economic foundations of the latter." They go on to elucidate: "In military language, the first version means 'holding positions at any price, until the anticipated approach of reinforcements,' whereas the second is the equivalent of 'withdrawal to previously prepared positions to minimize losses and regroup'" (p 61).

You understand, of course, that the authors, being modern and progressive, support the second version. And they would very likely take offense were I to say to them that both their "versions" are entirely within the channel of the old political thinking. For this is a tactical-technological exercise on the theme: how best to cheat the invariable enemy in the invariable military theater. There is not a trace here of the new understanding of the world. Nor is the military language by any means accidental here. It reveals most expressively the essence of their approach.

I admit that in actual fact, "in the real world," so to speak, they think somewhat differently. But here, in the article, they wish to combine practical "progressiveness" with ideological "loyalty". If this is so, we have before us not even de-ideologization. It is cynicism of a philosophical nature. One further clear indication of that education and that mode of living in which we have all found ourselves and out of which the best of us are trying to scramble. I am very likely speaking too severely—it is, after all, a question of my friends and colleagues. But this severity is in the name of truth, and nothing else.

A.B. It is useful to be severe in respect of oneself also. In the context of reflections on the de-ideologization of international relations one may frequently hear invective against our "ideological messianism". Subsequently the course of thought may be dual. Version 1. The proposition that a new, higher type of social arrangement will inevitably come to replace capitalism is withdrawn as unscientific (unproven and unprovable). In this case it is expedient to examine (in the sense of revise) from the given standpoints the basic categories of scientific communism. Version 2. The proposition concerning the inevitable change of formations is maintained. But we separate the said proposition, perfectly consciously and with a full understanding of the consequences of this, from foreign policy.

I am, understandably, for the second version. "De-ideologization"—in the plane of international relations—is an attempt by mutual consent to relegate to the background world-outlook, philosophical and ideological disputes and remove them from the brackets, so to speak, of practical politics. This is exceedingly difficult since world-outlook principles permeate both our policy and that of our partners. Western politicians and ideologists proceed from the fact that socialism will give up its positions, retreat to the periphery of world politics and gradually be "washed out" of history. We, I hope, do not agree with this outlook. But both we and the West have seemingly come to understand that the argument cannot be solved by force and that coexistence and cooperation are inevitable. "The challenge," H. Kissinger maintained, "is to combine the reality of rivalry with the inevitability of coexistence." Here, coinciding and intersecting, class interests form a field of interests common to all mankind. Here, if you will, is the material base of the de-ideologization of international relations.

And there is another idea I would like to emphasize. The call for the de-ideologization of international relations should be accompanied by the de-mythologization of our own ideology and the liberation of ourselves from quasi-Marxist myths and sacred, inviolable formulas.

What is meant by "the West" with which we deal in the international arena? This concept is usually identified with the "imperialism" concept. But what does "imperialism" signify at the end, and not at the beginning of the 20th century? Are the "five characteristics" which were proposed by V.I. Lenin and which were classical for their time applicable now? An affirmative answer is given to the latter question, as a rule. Striking arguments are encountered. Thus, for example, the division of shipping and airline routes and radio communications channels is presented as evidence that the imperialist division and partitioning of the world continues (MEMO No 2, 1986, p 75). Here is "science" for you....

I believe that it should have been recognized long since that the present "imperialism" is qualitatively different from the imperialism about which Lenin wrote. The likelihood of imperialist wars for a recarving of the world—a constituent characteristic of imperialism, according to Lenin—is practically equal to zero. Increasingly great significance in the development of capitalism is attached to the conscious, plan principle. On the world scene this trend is realized in systematic attempts (of the "seven," for example) to coordinate economic and political strategy. Transnational corporations and transnational banks, from the "exposure" of which it has long been time to switch to a scientific analysis of their role—both negative and positive—in economics and politics, have become a pronounced component of the international economic (and political) scenery.

Without moving to new theoretical frontiers and without noticing the "ultra-imperialist" trends in the development of imperialism we will be unable to provide an incontrovertible explanation of our political strategy, which is aimed at "separating" militarism from imperialism and limiting and isolating the militarist "nature" of imperialism. If we remain on the ground of the ideas of the start of the century, formulation of the question of the demilitarization of international relations would be absurd.

Generally, we need in order to "de-ideologize" international relations to "de-mythologize" our approach to them, that is, learn to see our surrounding social world such as it is, and not such as we have become accustomed to seeing and wish to see it.

V.L. This is true. It is merely a question of the fact that the world "as it is" concept is a concept of both our understandings of the world. And it is here that the limit of de-ideologization runs. Further, as I have already said, the factor of self-education in world-outlook civilization takes effect. But let us try, nonetheless, to descend from the theoretical heights closer to political soil.

The problem of the control of international relations is conjugate with an increase in the number and expansion of the sphere of activity of international organizations and an intensive process of the formation of regional communities. Two lines of integration—West European and Asian-Pacific—are the most pronounced here, of course.

West Europe will after 1992 become qualitatively new. Both for itself and for the world. Primarily for us and the United States.

What is meant in practice by "common European house"? What kind of political reality could crystallize out within the framework of this allegory? The three most important questions here are West Europe and us, West Europe and East Europe, evolution of the German problem....

A.B. There is a minimum of four questions here. Plus the United States-West Europe.

But let us take things in order. If detente stabilizes and if Euro-disarmament begins and the building of the "common European house" continues, a rapprochement both along USSR-West Europe and West Europe-East Europe lines may be forecast. Against the background of this positive process additional complexities for our foreign policy will arise. The lessening of the relative significance of military-political factors in European politics will weaken and constrict the USSR's opportunities for influencing the state of affairs in Europe. Bloc discipline will diminish, which could be reflected in the Soviet Union's relations with the East European countries and also between them. The difference between economic integration within the EC framework and bureaucratic integration within the CEMA framework will become even more marked. The scale of the said complexities will depend to a decisive extent on the successes of perestroika in the USSR and on how far socialism of the East European model can make up for lost time.

It makes sense speaking about the German question, that is, the problem of German reunification, specially. Obviously, this question is not on the actual political agenda. It could be maintained even that in the present system of social coordinates (socialism-capitalism) it has no rational solution at all. The variants of such a solution could appear only in the future, when bloc borders have disappeared and Europe has become more homogeneous, more European, perhaps....

V.L. You were right to recall that the "European Europe" concept moves to the forefront not only the Soviet but also the American theme. What will the role of the United States be under the conditions of the formation of the "common European house"? It will diminish, evidently. But will not disappear completely, of course. The following antagonism is theoretically

possible: the "European house" against "Fortress America". But the next stage will most likely be a "European-American private house" for two families. In any event, I do not rule out such a variant for a certain historical period. As a phase of the formation of a civilized world hostel. There is a great historical prerequisite for this: essentially both the United States and our country are historically outlying areas of European civilization. It was here, on European soil, that the great ideas of democracy and its penetration of the social sphere of human existence—socialism—were born. The phenomenon of the developed civil society and its support and foundation: the individual and personality—the citizen—became a reality here. And to speak of a European house (in the broad, and not purely geographical meaning of this word), a house is, after all, not furniture and walls separating it from other houses. A house is primarily a community of people, their way of life, an atmosphere. The atmosphere of the European house could only be the establishment in all its rooms of a developed civil society, a democratic and increasingly socially just society.

A.B. Heard frequently recently in the arguments between the "Europessimists" and "Eurooptimists" have been the words of K. Jaspers: "Europe is the Bible and antiquity.... With the emergence of the new civilization it will remain for Europe merely to concern itself with the 'holy places' of this world civilization itself which it has created." I do not think that this forecast will be borne out or that Europe's creative potential has been exhausted. The arguments which are currently fashionable concerning the coming "Pacific civilization" era should hardly be taken too seriously. The "Pacific civilization" will most likely not replace the "Atlantic civilization" but will exist alongside and in parallel with it. Europe will, of course, concern itself with the old "holy places". But I would like to believe that it will have sufficient inner strength to create new "holy places" of world civilization.

V.L. I was reading quite recently in YUNOST (No 8, 1988) large extracts which it was carrying from the memoirs of Nadezhda Mandelstam—the wife of the great poet. This was an astonishing, tragic and profound business. This is what she has to say about the time when, following O.Ye. Mandelstam's first arrest, they set off under escort by train for deportation: "At that instant when I stepped into the carriage and saw my brothers through the window, the world was split for me into two halves. All that had been before had vanished somewhere and become a vague recollection and dim reflection, and there opened before me the future, which I had no wish to see stuck to the past. This is not literature but a timid attempt to describe the change of consciousness experienced, probably, by the multitude of people who had transgressed the fatal line. This change was expressed primarily in a total indifference to all that had been left behind since there was the absolute certainty that we had all embarked on the track of irrevocable perdition. One person had been allotted a

further hour, perhaps, another, a week or even a year, but there was just one end. An end to all—near ones, friends, Europe, mother.... I speak of Europe because in the 'new place' in which I found myself there was none of that European complex of thoughts, feelings and notions with which I had lived hitherto. Different concepts, different measures, different reckonings...."

I have quoted these words in order that the context and space of my (and, as you can see, far from just my) understanding of Europe become clearer. It seems to me that what should be understood by "Europe" is not geography but an important conceptual symbol of Russian culture and particular way of thinking, living and entering into contact with other people—near ones and distant acquaintances, one's "own" and "others". In this sense we could after some time be an immense space situated between two "Europes". The second, emergent "Europe" is, in the particular aspect which I have chosen, the Pacific civilization which you have mentioned.

Dynamic processes of historic significance have been growing in recent decades in the Asia-Pacific region. They are commensurable with the English Industrial Revolution of the 18th century and the European industrial and social revolution of the 19th century. Colossal industrial potential of the most advanced S&T level is being created and simultaneously a process of decomposition of authoritarian regimes of traditionally oriental style and their replacement by democratic forms of government is under way before our very eyes. Of course, of a regional nuance also, but genetically linked with European culture (as American culture, granted all its specifics, is linked with it). This is the sense in which we are between two "Europes".

As distinct from you, I accept and support the proposition that the struggle of the two systems is no longer the leading factor of world politics. And, consequently, participation in this struggle is no longer our main foreign policy priority. But if this is so, what is our main priority? I believe that it is organic incorporation in the "European house" on both sides of our borders. I would formulate it thus: the creation of a European community from the Atlantic to the Urals in the West and affiliation with the process of Pacific integration in the East. If this is successful, we will become a bridge between the two "Europes". Perhaps this sounds utopian currently, but such a variant would seem to me the most realistic, possibly, the sole way for us to secure the foreign policy conditions for our country's fitting entry into the next millennium.

A.B. I shall answer in order. First, priorities. A complex and arguable question requiring extensive discussion. Our foreign minister speaks of "principal national interest". What does he see as this interest? "Proving," in competitive struggle, "that socialism can give man more than any other sociopolitical system." Thus the principal, priority national interest is being realized precisely

in the sphere of relations of the two systems, in the struggle between them, understood, of course, not as military confrontation but as contention, rivalry, competition. As far as "highest class interest" is concerned, E. Shevardnadze interprets as such struggle "for the survival of mankind".

There are many conditional judgments in the humanities. And what would change, for example, if "principal national interest" and "highest class interest" were to change places? It is important that the principal, highest and so forth interests of socialism are formulated by proceeding from the existence of that same other "system". In my opinion, this is yet further confirmation that relations between capitalism and socialism are the leading axis of world development.

Now, about Europe. I would still prefer to call, say, China China, and not Chinese Europe. But ultimately this is a matter of taste. Your idea is understandable, and I share it. We must extricate ourselves from backwardness and fit into the development of the integration processes of world civilization—both in Europe and in Asia.

At the same time it should not be forgotten that, besides the Northern Hemisphere, where all the "Europes" are located, there is a Southern Hemisphere also. Integration processes there are only just beginning. There is no plan even for "common" houses there as yet. Such a political vector as nationalism is predominant there. Plus all kinds of "discord" (regional, tribal, racial), which frequently overstrain international relations.

V.L. The "third world" is experiencing a severe crisis. Together with the countries which have almost extricated themselves from a state of backwardness (and they have all taken a path proposed not by us, what is more) there is a group of countries in which the situation is simply desperate (some of them having, unfortunately, taken the path proposed by us). This is giving rise to the problem of a serious reconsideration of our approaches to the very foundations of the problems of the "third world".

It seems to me that the "socialist orientation" of the 1960's-1970's model has failed to stand the test of time. The jumping of stages and natural phases of the civilization process is a simple matter, apparently, only in the phase of formulation of this ideological construct on paper. In practice, on the other hand, hastily designed "virtually socialist" forms are immediately suffused with clan, caste, tribal and other content, and rapid steps forward at the official ritualistics level prove to be movement in a circle.

In my opinion, there are two main criteria of progress of "third world" countries—the growth rate of social production and the rate of formation of a modern civil society on the debris of the traditional society. If these criteria are applied, the set of most progressive "third

world" countries emphatically does not coincide with the set which our ideologists propose as countries of a socialist orientation. Instead of real progress, resounding leftwing words, behind which medieval forms of life and consciousness and, consequently, power are clearly visible, are often heard there.

The majority of "third world" countries is developing (if at all) along the capitalist path. This is a fact, and its needs to be interpreted objectively.

A.B. Not that long ago the national liberation movement was seen as one of the three "streams" of the world revolutionary process. Do these concepts operate now?

V.L. I fear that these concepts do not help us comprehend reality. The era of the national liberation movement has been left behind. The world revolutionary process? I would ask you to explain intelligibly to me the actual content of these words...

In the "third world" capitalism and socialism are diverging from the classical models; here there is a mass of transitional, intermediate, interformational formations; here a proving ground for the "running in" of various forms of convergence and synthesis is objectively being created. But the main thing is not categories but how to feed the children, how to conquer drought. Here it is necessary not to compete but to cooperate—with everyone.

A.B. If the "third world" is seen from the viewpoint of our subject, it should evidently be recognized that it is in the "third world" that the main centers and sources of destabilization of international relations are to be found. Almost all the "postwar" wars have been in the "third world". It is in a fever of internal conflicts. And in practice there are always ways leading from regional crises to global disturbances.

V.L. For this reason it is essential to close off these paths and create an international mechanism for reacting to crises and settling them. We should operate by "salami" tactics—the gradual removal to the jurisdiction of international investigation and arbitration of all that is not the purely internal sources of crises. This is difficult, but possible. Afghanistan is an example. "In line" are Cambodia, the Near East, Nicaragua and so forth.

The limitation and elimination of centers and zones of instability in the "third world" are an essential condition of the positive restructuring of the entire system of international relations. Essential, but insufficient. We will only be able to speak of the genuine democratization of international relations and their conversion into a universal system of the interaction of equal participants when the entire block of developing countries overcomes its "periphery nature".

A.B. And only when history is truly universal—universal from the viewpoint of states and nations and from the viewpoint of people “individually”. Specifically, “...the liberation of each individual is accomplished to the same extent that history wholly becomes world history” (K. Marx and F. Engels, “Feuerbach. Contract of Materialistic and Idealistic Views. New Publication of Chapter I of ‘German Ideology’,” Moscow, 1966, p 49). It is still a very long way to go to “wholly”. But even now it may be seen how the intensification of international cooperation and the growth of international interaction have imparted to the human rights problem a new, truly universal resonance.

The traditional understanding of “universality” gives pride of place to the surmounting of national narrowness and the establishment of “the nations’ all-around connection and all-around dependence on one another” (K. Marx and F. Engels, “Works,” vol 4, p 428). This is the main trend of the development of the system of international relations.

V.L. Such processes as history’s acquisition of the property of universality and the universalization of international relations proceed in very complex fashion. It is true that “what diverges meets”. But it is also true that what meets diverges. Just look at the acute inter-nation conflicts in India and Sri Lanka and in a number of African countries. And why African? What about Ulster? And Belgium? Here also the process is universal and intersystemic: events in Kazakhstan and the Transcaucasus and the problems which have arisen in national soil between Yugoslavia and Albania, Hungary and Romania are still fresh in the mind.

Nationalism has far from yielded its positions, and flashes thereof are still causing many problems. However, in the long term “what diverges meets” more strongly and on a larger scale. And it is the process of universalization which is with ever greater insistence putting on the agenda the question of the formation of a mechanism of the control of international relations (primarily, as already said, of the regulation of crisis, conflict situations).

Of course, universalization does not mean standardization. The polyphonic nature of international life cannot and should not be called in question. National, country diversity will persist for the historically foreseeable period, and the specifics of intra-country regions will, to all appearances, grow.

But if we recognize the necessity and possibility of effective, multilateral relationships and solutions in the interests of mankind, a common language is essential, at least. And it can only be born on some common cultural matrix. Otherwise, even fighting for peace is impossible. For then we would have one world, the United States, another, Iran, yet another, Iraq, a fourth, and so on.

The question arises whether a process of instruction in international relations is possible under these conditions. A process more or less comprehensible to all. If not, there is no integrity and consistency of the process. There is no order, just chaos.

A.B. The appearance of order from chaos, a growth of the level of organization of the system, its self-organization are a key question of synergetics. Whether its principles are applicable to international affairs, to the task of the ever greater ordering of the system of international relations, is an interesting question.... True, the attempts to use in the theory of international relations the conceptual approaches of games theory, cybernetics and systems analysis have yet to produce some in any way pronounced results. Nonetheless, if we cast aside the juggling of fashionable terms, this problem or the other of international relations has in each specific instance been illumined, made more graphic and acquired a new interpretation. And this is something.

In the traditional terms the way away from chaos toward order, that is, stable peaceful coexistence, runs via the democratization, demilitarization and humanization of international relations. I say this and I think: is all this talk about equal cooperation, conflict control, a world without wars and weapons not day-dreaming, not a utopia?

V.L. Both yes and no. Today it is utopia. Tomorrow, possibly, a reality. History is a process of realization of utopias.

My thinking runs in this direction: the transfer of elements of the civil society to international relations. This process has begun, but is very far from completion. And the development of international order per the principle of the reproduction internationally of the civil society conceals many reefs, what is more.

A.B. To what do you refer?

V.L. Well, such a principle, say, presupposes an increase in the role of “popular diplomacy” (also democratization), a certain “balancing” with its assistance of official, professional or, if you like, bureaucratic diplomacy. And I mean genuine “popular diplomacy,” what is more, such as is not “pocket” diplomacy, a direct continuation “cummerbund” tied to the vest of bureaucratic diplomacy. This growth is inevitable and, on the whole, highly positive, it is an important anti-bureaucratic front. But in all this there is the other side of the coin also. There is the acute problem of the stimulation of extra-official policy in a period of crisis situations, which in the nuclear age could complicate the international atmosphere very considerably. And we need to be prepared for this. Imagine the cautiousness and restraint of the professional diplomacy of large country A in the period of a crisis situation, in which small country B which is close to this country ethnically, religiously or in some

other way has become involved. And hereupon considerable numbers of the aroused population of country A demand direct forms of "fraternal assistance" to country B. And not only demand but act, putting to practical use the channels of "popular diplomacy" which have taken shape.

A.B. I am not that inspired by your interpretation of the role of "popular diplomacy". In my opinion, you exaggerate it. I wish to emphasize another idea. The augmentation of the role of mass movements (antiwar, ecological, "alternative," for civil rights and so forth) with their orientation toward humanitarian values and their frequently utopian vision of the world (anti-statism, anti-scientism, anti-industrialism and so forth) testifies to the pressure of nontraditional factors on world politics. The significance of power, military power primarily (with regard for all the possible reservations here), is diminishing, the significance of public opinion, the ethical factor and morals is growing.

In theory morality has always been the antipode of policy, in practice, the servant of policy. Politicians have publicly disavowed Machiavelli, but have followed his advice in their affairs. The great questions of history are decided by "blood and iron," Bismarck maintained. And Lenin agreed with him. Political morality has justified everything that has led to success, to the goal. And it is only at the end of the 20th century that the objective and subjective conditions for changing the correlation of morality and policy have appeared. Power has not yet become useless. But its use is becoming an increasingly hopeless business.

Theoretical recognition of the new situation is proceeding unevenly, and, as is often the case, fashion is endeavoring to drown out science. We are being told, for example, that the moral and spiritual factors are being freed from "geopolitical, historical, socioeconomic and also class restrictions" (MEZHDUNARODNAYA ZHIZN No 4, 1988, p 4).

What does this mean?

V.L. I would like to clarify matters. I also am against fashion in science. But the psychological situation has to be understood. Earlier there was a deviation in one direction, now, in the other. In order to straighten the stick we need to bend it in the other direction. We have been so oversaturated with amoral policy that the endeavor to replace policy with moralizing is natural. This will gradually pass. So let us see the heart of the matter, the meaning of what is happening.

A.B. I understand. It is merely a shame that our "stick" is never straight.... And inasmuch as you and I evidently have no opportunity to straighten it, let us sum up.

The program of the restructuring of international relations advanced within the framework of the new political thinking is yet further evidence that we have at last come to see a time when intellectual impulses are emanating from Moscow.

V.L. Not only intellectual. Political impulses are emanating from Moscow also.

But since we have switched to the ground of realism it needs to be said that our wishes and the degree of our influence on international relations has always been held back by the country's economy and technical and technological backwardness. Whence the emphasis on military-political levers and muscle-flexing. But the bigger the muscles, the stronger the fear in the face of the threat from the East. We have now understood this. We are moving toward new frontiers. And the restructuring of international relations and their stabilization based on the principle of peaceful coexistence and lasting peace are designed to facilitate our transformation.

The main thing is that the restructuring of our foreign policy is part of the democratic, anti-bureaucratic revolution. It means assurance of the foreign policy conditions for it. We should from this viewpoint fit ourselves into our complex, rapidly changing world, formulate new priorities and take a new look at our sympathies and antipathies.

A.B. This is the feedback, if you will: the influence of the external environment on us. But the direct, basic, fundamental connection appears as follows.

If we master perestroika, if we become a modern society, if we are able to "harness" the S&T revolution and if we are able to demonstrate the advantages of socialism, the restructuring of international relations and their democratization, demilitarization and humanization will be a fact. If we once again stop half-way, if we drown our perestroika in half-measures, idle chatter and sluggishness and if we take fright at the scale of self-criticism, glasnost and the pressure of new, unfamiliar ideas, the restructuring of international relations will be a pious wish. More precisely, thus: international relations will be restructured, but in accordance with a program far removed from our interests.

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Continuation of Roundtable on Western Democracy

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[Roundtable discussion: "Western Democracy and Problems of Contemporary Social Development"]

[Text] G. Diligenskiy. I recall that in the first part of our discussion we endeavored primarily to analyze and discuss a number of the most common, essential features of

Western democracy and evaluate the evolution which it has undergone under the impact of the worker and democratic movement and also express our attitude toward the opinions predominant in our social science, which, as we all agreed, have seriously impeded cognition of the actual processes which have occurred in the political life of Western countries.

We must now switch to a more specific analysis of the principles of the functioning of bourgeois democracy and the forms and methods by means of which it is realized in practice. We should pay particular attention, it seems to me, to that which is new which has been revealed in the development of Western democracy in recent years and express our opinion on how this development correlates with the processes which began as of the mid-1980's in our own society.

A. Migranyan. I would like to begin this discussion with an assessment of representative democracy, putting the emphasis not so much on its positive features, of which we spoke in relative detail in the first part of the discussion, but, on the contrary, on its serious shortcomings. For without this we will hardly be in a position to understand both the factors bringing about the evolution of Western democracy and the direction in which it is headed.

It seems to me that the shortcomings and defects of the present democratic systems are born of the very mechanism of the formation of representative organs of power and the adoption of most important political decisions. The representative system alienates the bulk of the population from direct participation in the political process. It requires the establishment of separate relationships between the electorate and its representatives in various organs of power, which also both in the theory of the functioning of political systems and in practice is resolved far from unambiguously.

Back at the start of the present century the theoreticians of pluralism showed convincingly that the principal character in the political process is not the individual but the social group and that it is group interests which clash when decisions are being adopted in the political sphere. Political parties serve as institutions of the coordination and bringing together of these group interests and also transfer them to the political sphere.

It is believed that, given this organization of political power, each social group, being involved in the political process, exerts a certain influence on the shaping of policy, but that none of them possesses a monopoly on power or a decisive part thereof since the other groups play the part of restraining force. That is, each more or less significant social group has an opportunity to block the adoption of this decision or the other which could have a negative impact on the activity of the members of the given group.

In reality, however, in no Western country does political reality coincide fully with this "ideal type". First, as we know, there is no "neutral state" impartially reconciling contradictions between various social groups. Second, many of these groups are in terms of their economic and political possibilities manifestly in an unequal position.

This does not mean that the model thus described has nothing in common with reality. Despite the appreciable deviations of reality from theory, the political mechanism which has evolved affords relatively broad opportunities for the free play of political forces: it enables many, not even the most populous, social groups to transfer the problems disturbing them to the sphere of public power (at the regional or national level) for the adoption of the corresponding decisions or at least attract public attention to these problems.

Study of the activity of large organizations revealed even at the start of the 20th century a characteristic feature: in any large organization, regardless of its profile—be it a state institution, party, trade union or corporation—decisions are made by a tight circle of persons, which undermines the foundations of the traditionally understood democratic principle of decision-making. M. Weber explained the concentration of power within the framework of large organizations by the action of the "law of small numbers," and R. Michels, by the "iron law of oligarchy".

The 20th century has witnessed the unprecedented growth and centralization of various organizations in which the trend toward the separation of elite groups adopting the most important decisions has strengthened as they have become more complex.

S. Perregudov. The trends about which Andranik Movsesovich has spoken really do exist. But I would like to call attention to other trends seriously modifying both the nature and functioning of representative institutions in the West.

As has already been mentioned here, the most important institution of representative democracy designed to serve as a kind of intermediate link combining the civil society and the state are the parties. The degree of influence of the masses on the activity of the representative institutions largely depends on the kind of role they perform in the shaping of the party leadership, in the formulation of their program and policy goals and in the selection and nomination of candidates for central and local authorities.

Until recently the primitive, essentially incorrect viewpoint according to which only the communist parties express the working people's genuine interests and only in them is the process of the formulation and adoption of decisions based on democratic principles was predominant in our literature. But what about social democracy enjoying the broad support of the masses in many countries, of West Europe primarily? Studies show that

there has been and continues to be in the social democratic parties a contradictory and far from always consistent, but nonetheless relatively certain process of a growth of the role of party activists and the mass base of these parties in all the main spheres of their activity.

There has also been an appreciable modification in the postwar period of the electoral behavior of considerable numbers of the electoral corps of both the bourgeois and social democratic parties. The category of the electorate which has traditionally voted for a particular, "its," party has declined sharply. An entirely different type of relations between the majority of the electorate and the parties has, correspondingly, prevailed: these relations have become, as Western sociologists define them, more "instrumental". That is, the voter is increasingly often seeing this party or the other as a kind of "instrument" capable or, on the contrary, incapable of realizing the demands which are close to him. As a result of these changes the dependence of political parties on the electorate and, accordingly, competition between the parties for its vote have increased, and this is stimulating a search for new ideas and a renewal of the parties' ideological and political baggage with regard for the interests of the masses, that is, is leading not to a winding down but expansion of democracy.

Kh. Kolodkhovskiy. It seems to me that owing to the specifics of our position and our tasks pertaining to the development of democracy and the assimilation of world historical experience in this sphere, we are now sometimes inclined to overestimate representative institutions as such. At the present time there are in the political superstructure of the capitalist countries crisis phenomena which have in one way or another affected all its components, particularly those associated with parliamentarianism. There is even talk of a crisis of parties as a political institution.

Primarily representative democracy based on the delegation of authority has enjoyed the greatest development in bourgeois society. Yet consistently exercised delegation entails the alienation of the masses from policy and the bureaucratization of those same representative institutions. It needs to be considered here that the masses themselves have changed in recent decades: they are content to a far lesser extent to passively follow leaders and are displaying a far greater critical spirit, independence and an endeavor to determine their fate themselves. This is a result of the growth of the education and culture and development of new personal requirements and civic skills, which would, of course, have been impossible without the experience of struggle for democracy and life under the conditions of democracy accumulated by the working people.

Whence the situation which we observe: the institutions of representative democracy which were entirely satisfactory to the majority of the population given a lower

level of requirements are even now proving an anachronism—the more so in that their forms and methods of activity did indeed in the majority of cases take shape many decades ago.

S. Peregodov. I believe that you are both exaggerating, for all that, the crisis of the parties and underestimating their capacity for adapting to the changing situation. I would like to say also that the question of parties and their functioning is most closely connected with the problem of the evolution of parliaments and parliamentarianism. As is known, much has been written about this in our literature, but the bulk of this has been books and articles "substantiating" the proposition concerning the crisis of bourgeois parliamentarianism. However, is the bourgeois parliament that impotent? Had this been the way things were, what would have been left of a parliament after 70-80 years of the continuous emasculation of its authority? But the point is that together with the processes of emasculation, more precisely, redistribution of power in favor of the executive machinery (about which I spoke last time and about which I will have more to say), a process of the development of this institution, expansion of the functions of control of the administration, the enlistment of members of parliament in the process of preparation of legislative instruments, the professionalization and specialization of the parliament's entire activity and the strengthening and expansion of its relations not only with business but also with nonparty organizations of the working people is under way. And all this is again happening not of its own accord but as the result of the direct influence of both the democratic forces represented therein and various forms of "outside" pressure.

Speaking of representative institutions, I would like to stress that they now have not one but two systems of representation. Together with that which is based on universal suffrage and is organized in accordance with the territorial principle there is the system of representation of interests or, as it is frequently called, functional representation. Whereas the creation of such a system with us has been blocked by an endeavor to change nothing in order not to make life difficult for ourselves, in Western countries it has traveled a relatively long path of development.

In itself the creation of the system of functional representation was brought about by the objective need for a strengthening of relations between the civil society and the state and the establishment of "working" relations between the machinery of state and its subdivisions on the one hand and a variety of interest groups (or, as they are sometimes called, functional associations) on the other. I described in relative detail the mechanism of such interaction in the book "Contemporary Capitalism: Political Relations and Institutions of Power," which was published 4 years ago, and for this reason will allow myself not to return to a detailed examination thereof. I

would emphasize merely that, as distinct from the system of "territorial" representation, this mechanism is considerably less formalized and for this reason susceptible to a far greater extent to the impact of current political struggle.

At the initial stage the system of functional representation developed under the predominant influence of big capital, and this brought about its avowedly anti-democratic, pro-monopoly nature. In fact, how could there have been any kind of democratization when only monopolies and monopoly alliances had entered into direct relations with the state?

Subsequently, however, other organizations and groupings joined most actively in relations with the state together with big capital and its associations. Primarily the unions and also farmers' organizations, small business associations and professional associations of persons of the intellectual professions and other groups of the middle strata. As a result a ramified system of formal and informal relations and interaction took shape and hundreds of committees and councils attached to governments and ministries and the local authorities emerged within whose framework consultations between representatives of the government, business, the unions and many other "interest groups" came to be practiced. These consultations became an inalienable part of the entire system of political administration of bourgeois society, the formulation of government decisions and legislative instruments and so forth.

In the last 15-20 years an increasingly large part in this system has been played by "special" associations and movements—like the environmentalists' movement, consumers' organizations and a variety of "citizen action" groups operating at the local level. The bulk of them combines activity within the framework of the institutions of power with broad mass actions, "but-tressing," as it were, their representatives at negotiations. Some, on the other hand, not having been admitted to the official consultations, operate merely from "outside". The organizations and movements of fighters for peace have become the most populous and influential of these latter.

The impact of the working people's "interest groups," which initially fitted entirely within the framework of what was "permitted" and was seen by the majority of Western political scientists as a natural manifestation of political pluralism, began, however, with the passage of time to increasingly disturb the ruling class and its political representatives. The proposition concerning the "pressure chaos," which, it has been maintained, is making the leadership of society increasingly difficult and is a reason for the diminution in the capacity of the state for ensuring "law and order" and exercising its inherent power and managerial functions, has come to be bruited persistently as of the end of the 1970's. It is indicative that the most emphatic supporters of a limitation of "functional democracy" have been the large

corporations, which had initiated the "interest groups" intervention in official decision-making system. However, they have acted by no means in isolation. Limitations on the "dictat" of the unions, environmentalists and consumers' organizations have been demanded by other business groupings also—not least because the "inordinate" assertiveness of these organizations and their influence on the legislative process have begun to be reflected increasingly perceptibly in firms' profits and their competitiveness.

The offensive against the positions of the working people's functional associations has been stepped up sharply under the conditions of the upsurge of the neocorporative wave. The unions, at whom a very palpable blow has been struck, have been subjected to particularly serious attack.

But despite the certain success achieved by the neocorporatives, the system of functional representation continues to operate, evolving and perfecting itself. An increasingly pronounced role therein is being performed by independent experts, and its relations with members of parliament and the local authorities are strengthening.

Now, when the tasks of the democratization of socialist society have moved to the fore and when the creation of a system of representation of public interests has become a question of practical policy, it is evidently necessary to scrutinize more closely the experience accumulated by Western countries, particularly the forms and methods of interaction which have taken shape between the working people's mass organizations and the state. The system of organized representation at the political level of business as a whole and its individual groups reflecting the objective regularities of relations between the economy and policy under conditions where the sphere of economic activity possesses a considerable degree of autonomy merits attention, in my view, also.

A. Migranyan. Sergey Petrovich, you have, in my opinion, sketched too glowing a picture of "functional democracy" and completely ignored the fact that it was within the framework of this system that such a far from democratic institution as corporatism or, more precisely, neocorporatism took shape. Two most important trends in the development of Western societies have led to the revival of corporatism, known since medieval times, at a new level. The first trend is competition, the second, centralization. Under the conditions of the pluralist free play of market and political forces only centralization and the existence of some stabilizing mechanism could prevent the fragmentation of social life and the disintegration of society. At the frontier of the two centuries organizations of business and the working class, which have begun to defend the interests not of the individual businessman or worker but the corporate interests of all members of their organizations, have begun to take shape. This process has been accompanied by a growth of the state, which has begun to play the part of intermediary and conciliator of these opposite forces.

Such processes as the increase in the stabilizing role of the state in the life of society and the integration by bourgeois society of reformist unions in the capitalist system have created the necessary prerequisites for the formulation by the political elite, business representatives and the unions' leadership of a joint political strategy on cardinal questions of the economic and social life of capitalist societies. In the opinion of many left-liberal and radical ideologues, the social contract between business and the unions, given the support of the bourgeois state, is leading to a narrowing of the sphere of the pluralist political system and laying the foundations for a neocorporate state in which the elites of the three most powerful corporate groups have begun amicably, behind society's back, to adopt decisions of vital importance for millions of people not protected by such powerful corporate organizations. Via corporate mechanisms business and state power are jointly exacting revenge against the weakest partner in the corporate triumvirate—the unions. Many political scientists in the West are therefore entirely correct in observing that in the corporate system the interests of business prevail over all other interests in society.

Depending on the national specifics of this country or the other, corporate trends are manifested variously. As a consequence of the fact that in the United States the state and the main corporate organizations—business and the unions—are less centralized, these trends are somewhat weaker here than in West Europe. In a number of West European countries (Great Britain, Sweden, Norway, West Germany, Austria, the Netherlands and Switzerland) representatives of business and the unions jointly coordinate at the national level in consultative bodies and boards such questions of economic policy as determination of the size of the wage packet, length of the work week, the forms of participation and the powers of union representatives on the boards of directors of various firms and corporations and so forth.

S. Peregudov. I largely agree with you, I myself have expressed similar opinions. Nonetheless, I believe that even considering your reservations, you evaluate present-day corporatism somewhat one-sidedly. As the experience of recent years shows, the version of corporatism which is sometimes "state" and which is distinguished from its "liberal" version by rigid, authoritarian rules of the game is almost never realized in practice. All the more unrealistic currently is a return to the totalitarian corporatism of the fascist model. On the contrary, "liberal corporatism" presupposing the relative freedom of the partners in the negotiations, the voluntary nature of participation in them and the existence of feedback from those whom the participants in the negotiations represent is demonstrating its vitality and adaptability. I may cite as an example the not-unknown "Swedish model," which some of its ultraleft critics have categorized as "new totalitarianism," the Austrian system of social partnership and the Australian "accord" which has been in effect for a number of years now.

It is highly symptomatic that, as I have already mentioned, among the most consistent opponents of corporatism have been the neoconservatives, who under the flag of struggle against it have conducted an offensive against the rights of the unions, sharply limited their participation in the formulation of socioeconomic policy and dismantled a number of authorities which on a tripartite or multilateral basis coordinated the positions of the "social partners" and the state. A blow was struck primarily here at the consultative institutions in which the influence of the unions and other organizations of the working people was the most significant. As a result the correlation of forces in the "triangle" has shifted even more in favor of business and the state, and corporatism itself has begun to assume increasingly oligarchical traits. And here, Andranik Movsesovich, I would perhaps agree with your proposition concerning the serious danger for democratic development on the part of such neocorporatism.

Nonetheless, from my point of view, the neocorporate system in its present form represents an appreciable step forward compared with the system of representation of interests which emerged at the start of the century: the working people acquired through their organizations (unions, farmers' organizations and such) an opportunity to participate in the formulation and adoption of decisions concerning them. The "flowering" of this system pertains to the 1950's and, particularly, the 1960's, after which it began in certain countries to seriously misfire, mainly as a consequence of the sharply changed economic situation and the exacerbation of contradictions between the "social partners," which made of paramount importance the defense by each of his narrow corporate interests.

However, development did not stop here. Together with the reverse movement another trend was gaining momentum—that toward the growth of corporatism into a broader and more democratic system of functional representation, within whose framework groups, organizations and associations representing the most diverse socio-occupational strata of society interact among themselves and with the state on both a formal and informal basis. And the working people participate in this system, what is more, by no means only via their own organizations but also, however paradoxical this sounds, via some of business' interest groups.

The nature of the main economic unit of present-day capitalism—the major corporation—does not remain invariable. It is now not only an economic but also social institution. For this reason corporate management can no longer ignore in its relations with the state the interests of the personnel, the less so when its representatives participate in management of the corporation. But this is a parenthetical observation, so to speak, inasmuch as this subject requires separate discussion. I merely wished by this observation to say that eliminating the influence of the masses and their organizations on

the political process and the entire system of representation of interests is not now that simple. The dams erected in one place are being breached in another, and where one door closes, another one opens or opens a little. The axis of the confrontation of authoritarian and democratic trends in Western countries has now shifted, in my view, from the party and parliamentary sphere to that of the representation of interests, and I see this as grounds more for optimism than pessimism.

A. Migranyan. I would formulate the problem of relations between corporatism and democracy somewhat differently. The present corporate system does not, in my opinion, do away with the pluralist system of bourgeois democracy, although it constricts it considerably. There are permanent formal and informal relations between parties and leading corporate organizations, and via the party systems these organizations become involved in the political system. Thus almost everywhere the unions are the basis of the social democratic or other parties of the left, whereas business organizations link the realization of their political interests with conservative parties of the right.

The experience of the last decade shows that, although the corporate system has not disintegrated, relatively serious changes have occurred in it: given the polarization of socially class-based forces, the domination of the well-to-do strata of society has become more barefaced.

S. Peregudov. I have to admit that your interpretation of what is happening does not contradict the actual state of affairs. But it glosses over somewhat, from my viewpoint, the connection which exists between the system of representation of interests and direct democracy, and it is evidently time we approached a study of this.

A. Migranyan. Very well, I daresay I am ready for this. But initially a few words about how the problems of direct democracy or participatory democracy are approached by its supporters in the West.

The model of the organization of power proposed by the theoreticians of direct democracy sets as its goal the surmounting of the "iron law of oligarchy". According to this model, a common will could be cultivated initially at the local level (at commune and community level and at the place of work). Then boards of delegates, acting as intermediaries, would shape the common will at a higher level. In this system of representation the leader or representative must uphold the interests of the members of the organization which nominated him and, consequently, be under strict observation and control on the part of the community. Given this system of political participation, the leaders' activity would be evaluated proceeding from the extent to which it contributed to the achievement of the organization's ultimate goals.

In my view, this concept is of a manifestly utopian nature in respect of today's industrially developed countries, although as standard guidelines it could play the

part of mobilizing factor. First, even at the lowest level of organization an essential condition of the electorate's effective participation in formulation of the common will and control of its practical realization are the competence, education and knowledgeability of the masses. Second, such a model of political organization presupposes an impeccably operating system of the formation and transfer of the common will at various levels; a malfunction at any level could lead to the model's functional derangement.

And, finally, most importantly, what is required is the achievement of unity of the goals and interests of all participants in the political process—both at the foot and at all other levels of the pyramid—and this is simply inconceivable without a complete break with the fundamental concepts of liberalism and liberal-democratic doctrine, according to which the democratic society is a society which permits everyone to pursue his own egoistic personal interest and in which the conflict of these interests in all spheres of society's activity is legitimized and institutionalized.

A particular place in the works of the theoreticians of participatory democracy is occupied by the industrial democracy concept. It provides for the enlistment of the working people in the management of private companies and also the expansion of democracy at the work place. A number of serious steps in this direction has been taken in West European, particularly Scandinavian, countries.

It seems to me that the principles of democratic organization may hardly be mechanically transferred from the sphere of policy to the sphere of the economy. Take, for example, the question of the system of formation of the executive component of private companies. The appointment of top corporate managers remains everywhere as yet and will for a long time to come evidently remain the exclusive privilege of professionals from the business world familiar with the many subtleties of the rules of the business world and capable of adopting responsible and competent decisions. In principle even the presidents of the biggest companies are elected. However, only the top echelon of the managerial pyramid is admitted to participation in the elections. It seems to me that in the sphere of economic activity such a method of selection of top administrators corresponds to the highest extent to the conditions of the present market situation in the West, where in order to survive in the strict competitive struggle exceptionally high professionalism is required.

A comparison with our present-day reality involuntarily suggests itself in this connection. I confess that the increasingly emphatic transition to the principle of administration electivity at all levels of management evokes in me personally a feeling of perplexity. Lacking

traditions and experience of democratic elections in the political sphere, we have decided to all at once be "ahead of the planet entire" in the sphere of industrial democracy.

S. Peregudov. I look on the prospects of transition to economic and production democracy with great optimism. But at the same time I have to agree that the problem which Andranik Movsesovich has raised does exist. It is as yet unclear how to combine economic democracy and a high level of competence in the management of production and the economy. This contradiction could indeed be resolved in destructive ways, to which I attribute the extreme, totally mutually exclusive technocratic and anarcho-sindicalist solutions. But it could be resolved constructively also, that is, by way of the optimum combination of participation and competence. In this respect study of the already quite rich experience of working people's participation in the management of production in the West, including the practice, which is becoming increasingly widespread, of neopaternalism (which, as distinct from the "old" paternalism, is geared not only to the encouragement of labor diligence but also the enlistment of the personnel in the accomplishment of a number of organizational and managerial tasks and the revelation of its creative potential), would undoubtedly contribute to a large extent to the development of production democracy in our country. Of course, a mechanical copying of the Western experience could discredit the very idea, which, as is known, is frequently what happens.

But I would not, for all that, draw a direct analogy between the development of economic democracy in the West and with us. To take merely the example of elections of executives (managers) of enterprises, firms and other economic and other subdivisions in the West. The personnel there really does not participate in the elections of the presidents and other top administrators. But not because it cannot evaluate the degree of competence of the candidates but primarily because it is not the boss and proprietor of the firm and enterprise. Questions of the appointment or election of top managers are decided by the proprietors or, more precisely, the most influential of them. For this reason citing the example of the West as a kind of proof of the inexpediency or prematurity of elections of directors and other persons endowed with managerial authority is, in my opinion, not entirely logical.

But it is not only a question of logic. That same experience of Western countries where the state has placed in the positions of leaders of nationalized enterprises the most capable managers of the private sector shows that "appointing" even in this case does not contribute to the achievement of high economic indicators and does not prevent bureaucratization and other defects so well known to us from our own experience. The problematical nature of the practice of elections, like self-management as a whole, is associated with us by no means with the fact that incompetent masses would elect the

"wrong" people but with the fact that, given the absence of genuine economic independence, under conditions where state property and the administration thereof have not been transferred to the jurisdiction of the enterprises themselves, that is, qualitative changes in the system of production relations have not occurred, both the institution of elections and the establishment of workforce councils would become "games" which would ultimately only kill off the desire to become involved in this.

I am convinced that, considering what has been said, we not only may but must be "ahead of the planet entire" in questions of economic democracy. Otherwise we will either slide into bureaucratic technocracy or will be forced to no longer simply creatively assimilate the experience of the West but also copy some of its essential characteristics. I am not sure that all or almost all the participants in the debate under way in the country are aware of the social and political consequences to which this could lead.

G. Diligenskiy. It is important to consider that the question of economic democracy goes far in its significance beyond the framework of problems of rational economic management. A poll conducted at the start of the 1980's in West European countries showed that the majority of people working for wages supports the electivity of enterprise directors. The demand for economic democracy is evidently beginning to express a mass social need, and under these conditions the struggle for such democracy is becoming an essential component of the general process of democratization and the enhancement of the role of the working people in the running of society. In a certain sense the dynamics of this struggle and its role in the development of the mass democratic consciousness are more important than the dynamics of the specific forms of, say, intra-firm management. Things are approximately the same in our society—the electivity of administrators could help overcome the passiveness of the masses and develop their interest in independent and active participation in social affairs. For this reason I am closer to S. Peregudov's viewpoint, although I understand also the importance of the problems raised by A. Migranyan.

But now, perhaps, is the time to speak about the question of the separation of powers, bringing it somewhat "closer to earth," as far as possible, what is more, and concentrating attention on problems of the relations between the "bureaucratic" and political spheres and the central and local authorities.

A. Migranyan. However odd this may sound, I would like first to say a few words in defense of bureaucracy. There is an "ideal type" of rational bureaucracy described by Weber which, as he showed, raises the process of the formulation and adoption of decisions within the framework of large organizations to a qualitatively higher level.

A most important function of bureaucracy is the expert preparation of the drafts of this decision or the other to be adopted by the executive authority, and there is a high degree of labor specialization here, what is more. Whence both the utility of bureaucracy and the dangers for democracy associated with it. As experience shows, the development of processes of the division of labor and specialization in the sphere of the economy and in political institutions led to the appearance within the framework of individual economic units and the state as a whole of new centers of power—the power of specialists and experts or, as they are still called, “technostructures” (“technobureaucracies”). This phenomenon has been analyzed in the works of T. Veblen, (Dzh. Bernkhem), J. Galbraith and others.

In the 1960's even political scientists in the West had revealed a number of features characteristic of the bureaucracy which absolutely did not fit within the framework of its “ideal type” described by Weber. Among these primarily were informal values and standards, an informal hierarchy of power and an informal struggle for power potentially fraught with devastating consequences for democracy. It transpired also that the bureaucracy was involved in the sphere of informal interaction with interested groups. That is, the sphere of the adoption of most important decisions in circumvention of the political authorities and the public had expanded. In addition, however paradoxically, the chief merit of the bureaucratic *modus operandi*—efficiency—was lost as the bureaucracy grew. The increasingly great centralization of management within the framework of large social institutions led to a complication of the hierarchical structure and an enhancement of the role of the center fettering initiative locally. As a result the primordial conflict between democracy and bureaucracy was revealed even more sharply. The growth of the state summoned into being a powerful bureaucratic machinery, which on the one hand performs the functions of control of social affairs, but, on the other, has become an unchecked, self-sufficing corrupt corporate force.

S. Peregudov. I agree that the professionalization of the bureaucracy is leading to its increased influence and thereby contributing to the “bureaucratization” of political life. But let us take a look at this question from a somewhat different angle. After all, it follows from your very words that the specialization and professionalization of the bureaucracy is an objectively necessary process associated with the broadening of the functions of the state in the socioeconomic sphere and its increased regulatory role and role of social guarantor. Realization of these functions is impossible without competent specialists in various fields. Accordingly, the overall level of competence of the bureaucracy and its capacity for solving increasingly complex questions of social and political life grow. But this happens given one indispensable condition, namely, that the bureaucracy or—to put it more broadly—the executive authority is placed under sufficiently strict control above and below and that it does not withdraw into itself. When, however, this

condition is not observed, professionalization, and I agree with you fully here, could do more harm than good. The bureaucratized specialist is nearly always “more harmful” than a nonspecialist, who, owing to his lack of the appropriate knowledge, is forced if only to some extent to listen to those who possess it.

As we all understand, our society is currently suffering the most serious damage from such specialization of the bureaucracy. But nor has this ailment passed Western countries by either, although I would not maintain that it has led there to some regeneration of the bureaucracy. The growth of the danger of the bureaucratization of social life in the West has brought about the appropriate reaction on the part of society and the appearance and extensive spread of anti-statist, anti-bureaucratic ideas and slogans, on which, as is known, the influence of the neoconservatives is based to a considerable extent. And however we regard the results of their activity in other spheres, we cannot deny that the neoconservatives have succeeded in establishing stricter control over the bureaucracy. The need for an intensification of such control is now recognized by practically all political forces. However, whereas the conservatives have limited the activity of the bureaucracy mainly where it has fettered entrepreneurial initiative, the forces in opposition to them, primarily the social democrats and communists, are advocating more effective control from below over all spheres of administrative-bureaucratic power.

As far as the truly intensive relations of the bureaucracy and the executive authority as a whole with various interest groups are concerned, I view this also by no means solely as a negative process. The establishment of such relations is once again realization of the general trend toward the broadening of interaction between the civil society and the state and toward the surmounting of the state's exclusiveness and seclusion from society. That this process is occurring one-sidedly and that the winners therefrom are primarily the most influential strata of society is a different matter. But neither are the forces opposed to them inactive, and in this sphere also the confrontation of authoritarian and democratic trends is assuming an increasingly acute nature.

As a whole, I believe that a relatively intensive process of the bureaucracy's adaptation to the changes occurring in bourgeois society is under way. Despite its inherent aspiration both to hypertrophied growth and a strengthening of political and other positions, Western bureaucracy may, I believe, be described as a functional bureaucracy performing simultaneously both class and socially useful functions. It is an essential organic part of the “system” and, by and large, earns its keep pretty well.

A. Migranyan. I largely agree with you, Sergey Petrovich, but I insist, as before, on my assertion concerning the serious threat to democracy which emanates from the bureaucracy. An analysis of the relations between democracy and bureaucracy shows that in present-day

Western societies the conflict between them is of an immanent nature. However, the leadership of public authority and the existence of mass media independent of it as yet serve as a relatively effective barrier in the way of the bureaucracy becoming an all-embracing force threatening to become uncheckable and self-sufficing.

S. Peregudov. I could, perhaps, agree with such a statement. But at the same time I would like to switch from arguments in connection with the role of the bureaucracy in present-day society to a more general evaluation of the place which it and the executive authority as a whole occupy in the system of the separation of powers which actually exists. The more so in that unduly simplistic and sometimes simply primitive ideas about this predominate in our literature. The proposition whereby the public (legislative) authority adopts fundamental decisions on the basic questions of socioeconomic and political life and the administrative authority (the "bureaucracy" in the broad sense) implements these decisions and exercises the day-to-day leadership of society is presented as some model. In reality, participation in the preparation of political decisions, the most crucial included, is becoming, together with the purely executive functions, as the functions of the state expand and grow increasingly complex and its machinery (the bureaucracy) becomes specialized and professionalized, its most important function. The essence of the principle of the separation of powers is by no means that the executive authority and the bureaucracy have been sidelined from participation in the formulation and adoption of legislative and other enactments of state importance but primarily that the representative institutions and they alone have been the principal exponents of political authority in society and that no other body has substituted for them as such.

I by no means consider the current system ideal, and its socio-class focus was mentioned in the first part of the discussion. And it is not fortuitous that the supporters of a democratization of this system are insisting that relations of the executive authority with the interested groups and the entire process of consultations assume an open nature and that organizations and groups expressing the interests of the working people acquire greater access to and greater rights in this process. But, observe, no one is suggesting depriving the executive authority of its present functions and prerogatives altogether since without this the political administration of society would be impossible.

I have dwelt in detail on this question not least because one may encounter frequently in the debate being conducted in our press the assertion that virtually the main guarantee of compliance with the principle of a separation of powers is the fact that a minister or official on a local soviet ispolkom is not elected to the corresponding soviet. Yet the separation of powers principle was violated with us not only and not so much because the machinery and executive authority ran matters in circumvention of the elected soviets but as a consequence

of the fact that both the soviet and the machinery itself were deprived of real power. The point of the decisions of the 19th party conference is that they are geared to the restoration to the soviets of the role of sovereign state bodies. The main condition—establishment of the separation of powers principle—lies in the realization of this guideline.

G. Diligenskiy. I believe that it is time to switch from the functional aspect of the separation of powers to the territorial aspect. Your turn, Andranik Movsesovich.

A. Migranyan. In my view, the most interesting theoretical arguments concerning the principles of relations between central and local authorities were formulated by A. de Tocqueville when analyzing the salient features of the political system of Britain, the United States and France. In his celebrated book "Democracy in America" de Tocqueville emphasized that there are two types of centralization: government and administrative. What he calls government and administrative centralization we could call political and bureaucratic. The first determines merely the general principles and parameters within whose framework all individuals and institutions are at different levels free in their actions, whereas, given the bureaucratic centralization of authority, not principles but the specific methods of solution of this question or the other are strictly regulated and a certain uniformity in all spheres of the activity of society is established. And this, in turn, requires a strict hierarchical bureaucratic system for the accomplishment of the tasks born of this type of centralization. One type of centralization leads to the emergence of monocentrism—the establishment of the despotism of the bureaucracy—but the other, to the establishment of polycentrism in society and the realization of a pluralism of interests.

There has in the past 100 years in the West been a continuous process of an intensification of trends toward administrative centralization not only in such countries as France and certain others, in which such centralization has had its own traditions, but also in Britain and the United States, where in the middle of the last century even de Tocqueville failed to discover even signs of administrative centralization. The combination of government and administrative centralization sharply constricts the sphere of independent activity of both individuals and social groups and institutions of the civil society, which find themselves under strict control on the part of the state.

S. Peregudov. The anti-statist and anti-bureaucratic criticism of the neoconservatives is based on the actual processes under way in bourgeois society. But let us see what the result of the neoconservatives' efforts to debureaucratize relations between the "center" and the "periphery" has been. As far as I can judge, once again from the British experience, which is best known to me, their activity in this field has rather made the situation worse. It is not just that the Thatcher government has disbanded a number of the biggest and most influential

local councils, including the Greater London Council, it has sharply limited the financial powers of the municipal authorities and some of their rights, primarily in the taxation sphere. Not to mention the fact that back in the 1970's the Conservative opposition had opposed the granting of Scotland and Wales greater independence. In practice the neoconservatives are guided by the principle of the creation of a "strong state," by reliance on which they hope to prevent mass assertiveness getting out of control—at both the national and local levels.

A. Migranyan. We should study the experience of federations, which represent the voluntary association of political formations transferring to the supreme authority of the federation some important functions in the sphere of military, foreign and financial policy. The United States—the most efficiently functioning federation of the old federations of this type, and of the new ones, the FRG, may serve as examples.

As distinct from our federation, both the above-mentioned are organized on the basis of government centralization, whereby the maximum autonomy in relations between the federal and local authorities is guaranteed. Even unitary state formations such as, say, France, Italy and a number of other industrially developed countries are now proceeding along the path of a reduction in administrative centralization and the maximum expansion of the autonomy and independence of individual administrative and territorial units. When it comes to the granting of independence to its members, our federation cannot be compared even with these unitary state formations.

Its inherent centralization of power and the aspiration to take in at a glance from a single center all that is happening on "one-sixth of the globe" and to regulate in detail from this center all forms of activity lead to the lamentable results known to all.

G. Diligenskiy. The correlation of the "center" and the "periphery" and the degree of independence of the latter are a key problem of the formation of genuine socialist democracy. And I believe that toward the end of our discussion we should exchange opinions on how we conceive of the transition from formal, vaunted democracy to genuine, socialist democracy. It is with good reason that we are continually, without even wishing to, perhaps, reaching our "sore points".

A. Migranyan. To collate the experience of Western societies, it may be said that no country has accomplished the transition from traditional absolutist-oligarchical systems to democracy painlessly. It can only be a question of greater or lesser costs. Great Britain, Holland and the North European countries, where the processes of the formation of the basic values and institutions of liberal democracy have occurred over several centuries uninterrupted, have been more fortunate in this respect.

The attempts of French society, on the other hand, to immediately switch from one state to another, realize in practice some abstract-rational, speculative outline of the organization of society and immediately achieve happiness and liberty for all at the very first stage after the revolution ended in directly opposite results. It took almost a century, which accommodated several revolutions and the alternation of dictatorships and rogue-ocracies and various monarchical and republican forms of government, to establish democratic orders in the country and cultivate the corresponding political culture.

Some highly cultured European peoples have experienced even greater difficulties in the process of transition toward a stable democratic political system. The example of Germany is particularly characteristic in this respect.

As historical experience shows, it is practically impossible to accomplish a transition from a system of all-embracing, absolute, bureaucratically organized state authority toward democracy in the form of a short-term leap forward. At the time of the initial "de-statization" of spiritual and, subsequently, economic spheres of life, with the institutional structuring of various nonstate forms of ownership, there is a new fragmentation, as it were, of the civil society, in which numerous and conflicting interests arise. The polarization of interests and the conflict between them increase the possibility of chaos and the collapse of the political system, which is at the stage of radical restructuring. For this reason it is extraordinarily important while a process, unregulated by the state, of the institutionalization of the civil society in the economic and spiritual spheres is under way that a sufficiently strong state authority limiting democracy be preserved in the political sphere.

The political leadership in this period should involve itself with the creation of a democratic mechanism of power and political institutions, enlisting therein representatives of various institutions of the civil society, gradually according these democratic institutions rights and powers and reserving for itself the role of arbiter and adjuster. The task of the state authority in the political sphere at this stage is to ensure the solution of the conflict of interests in society via legal procedures in the political institutions of public authority which have been created and seek to ensure that the procedure of the legal institutional solution of a conflict of interests become a part of the fabric of political culture. The first steps in this direction are being taken at the present time by the USSR, China and other socialist countries.

Prior to the mid-1950's total regulation encompassed all the most important spheres of social life: intellectual, economic and political. After the 20th party congress, the country entered a new era. In the economic and political spheres the former relations are preserved, in the main, since the people's estrangement from property and power has not been overcome. It is a different situation in the intellectual sphere.

With an end to the total terror against those who might even in their thoughts deviate from official doctrine on this question or the other "dual thinking" appears in society: one for official consumption, the other, for oneself, one's friends and the home. The regime makes it tacitly understood that it is prepared not to interfere in the internal life and thoughts of those who do not publicly oppose the official tenets and authority. The last 30 years almost were a period of preparation in the intellectual sphere of the prerequisites of transition from authoritarianism to democracy. There was a process of the gradual integration and legalization in the official intellectual sphere of many values of both domestic prerevolution culture and the achievements of the human spirit generally, which had for this reason or the other been excluded from this sphere. At some stage, as of the mid-1970's approximately, there was a convergence of these two streams. Both banned names and works from the sphere of unofficial culture frequently began to make their way into the official culture. Figures of culture and scholars formally not admitted to the official culture and not treated with much affection by the authorities enjoyed greater respect and popularity than those who were officially recognized and who were constantly in view. With the enhancement of officials' cultural level unofficial culture and its representatives came to be valued and tacitly supported by the "enlightened apparatchiks".

When the new party leadership proclaimed a transition to a policy of revolutionary restructuring in 1985, this soil had in the intellectual sphere already been prepared. It may be said that a civil society, which immediately became a support of the new policy, which was not, unfortunately, the case in the two other spheres, had already taken shape with us here. In the last 3 years we have in practice switched to controlled democracy in the intellectual sphere. There are signs that we have already taken or in the near future will take the final step and achieve full democracy, with all the attributes of democratic culture, in this sphere.

We would not, I believe, have been able to make this transition had a transition (at least at the level of ideas and words, that is, the public consciousness) toward the "de-statization" of ownership and the civil society and the formation of various interests autonomous of the state and their institutionalization not emerged. This, evidently, is the route which we will have to take (for more than one decade, perhaps) until there is a reverse inversion in relations between society and the state and public ownership in the cooperative-associated form takes precedence over state ownership, and the economic sphere is freed from strict tutelage and regulation on the part of the state.

But in order that this process progress successfully in the economic sphere it is essential at this stage even to take serious steps in respect of democratization of the political sphere. This process is most complex since it is essential here to extract from the "belly" of the party the

state, which it has "swallowed up," and create real organs of state authority: legislative, executive and judicial. It is simultaneously necessary to regulate under the party's supervision relations between various interests which have emerged as the result of the institutionalization of the civil society, which, in turn, has been swallowed up by the state.

Retention for the party of the role of supreme and final arbiter in the political system is essential until there is a separation of the state from the party, and the civil society, from the state. In time the institutions of the civil society will via the new state mechanism which has taken shape become accustomed to the process of the civilized democratic solution of conflicts in the political sphere and learn to consider not only group economic interests but also proceed from the basic values of socialism important and necessary for the flourishing of the whole society and preservation of the stability of the political system. Then the need for a body designed to insure against and rectify mistakes, reconcile interests and accustom other institutions and the citizens to the new political system will disappear, and society will through its institutions independently raise urgent problems and adopt the decisions which are possible and acceptable to the majority legally, via the mechanism of social self-management.

G. Diligenskiy. If I have understood you correctly, you are insisting on the "multi-stage nature" and gradualness of the process of democratization of the socialist society. Truly, attempts to leap ahead and introduce forms of democracy which correspond neither to the level of development of socialist socioeconomic relations nor to that of the political culture of the masses would lead to no good. The more so if such forms represent a simple copying of those which have evolved under capitalist conditions. I do not rule out, for example, the fact that a multiparty approach or something akin to a permanent political opposition, which is sometimes mentioned in our present discussions, could lead not to an extension of democratization but to entirely opposite results. After all, in an atmosphere of the exacerbation of many political and social problems (inter-nation, prices, living standard and so forth) and the impossibility of their rapid solution a multiparty approach might very well be used by the opponents of perestroika to stimulate conservative, nationalist and great power-chauvinist tendencies of the mass consciousness and nostalgia for the former "order".

At the same time I sensed in your arguments motifs which, honestly speaking, put me on my guard. Recognizing in principle the need for consecutive stages of democratization is one thing, determining the specific features of each of them in advance is another. First, historical experience has shown quite convincingly the impossibility of any rigid "planning"—for a whole era ahead—of complex social problems, to which the democratization process undoubtedly pertains. Such processes are by nature multivariant and always contain

an element of the unforeseen, and they may be regulated by reliance not on outlines predetermined in advance but merely on constantly updated sociopolitical experience. Second, the "planning" of democratization is contrary to its very nature: the development of democracy will be genuine, and not formal and illusory, only in the event of it being directed by the independent activity and initiative of the masses.

It is correct that democratization under our conditions is in need of control, but this latter should consist not only and not so much of theregulation and "imposition of democracy" by way of command as of the creation of the conditions the most conducive to the development of public initiatives and independent activity in keeping with the principles and goals of socialist humanism. And it would hardly be useful to stipulate in advance some different framework for such initiatives.

And one final objection. Your forecast pertaining to the party's future seems to me unduly simplistic and unilinear. Its managerial, power functions will indeed very likely be reduced, but this will not prevent it acting the part of central institution of the civil society and a kind of headquarters of advanced social and political thought. It is particularly important at all stages of democratization here to overcome a situation wherein the party's leading role degenerates into into all-embracing, strict regulation of all spheres of public life.

K. Kholodkovskiy. I would like to support the latter thought. In principle it is known that any system is the more reliable, the less rigidly interconnected its constituent subsystems are. If in bourgeois society the economy, policy, ideology and culture were in absolute and strict conformity among themselves and in policy, in particular, nothing that called in question the prevailing production relations were allowed, this would reduce considerably the maneuverability of the capitalist system as a whole. Fascism, for example, does not now suit the bourgeoisie of the most developed countries primarily owing to its rigidity. We recall the history of the "great crisis" of 1929-1933. The capitalist economy had at that time reached an impasse from which it could hardly have extricated itself by using the traditional methods of self-regulation. Salvation came from the sphere of politics, which permitted the emergence of opposition, including "anti-system," impulses. It was to a considerable extent these impulses—marches of the American unemployed on Washington, the Popular Front movement, which for the first time in many years introduced the West's communists to real politics, and, in general, the masses' powerful invasion of political life manifested particularly graphically in the first postwar years—which compelled a reconsideration of the relations of business and the state and the creation of the model of the development of the economy and the social sphere, new for bourgeois society, which came to be called in our country state-monopoly capitalism.

S. Peregodov. In principle I agree with much of what Andranik Movsesovich has said here. Primarily with the fact that a transitional period, which, depending on the chosen strategy of transition, could be brief and relatively painless, but could also drag on for a long time and assume the nature either of permanent or shifting crisis development, is necessary en route to genuine democracy. This is why, specifically, we need to formulate an optimum transition strategy, which is not that simple. But, it seems to me, the decisions of the 19th party conference laid the correct foundations for such a strategy, and I see as its key component the orientation toward the creation of a sound, I would go further, strong and sovereign state of the rule of law. You, Andranik Movsesovich, would seem to be for this, but simultaneously propose endowing the party with the powers of "supreme and final arbiter" and a kind of political "patron" which should put within a permissible framework the behavior of other social forces, organizations and groups. And after it has performed this role, it is as though there would be no room left for it in the political system, or, as you said, the need for it will disappear.

I am, frankly, somewhat astounded by such a formulation of the question. I cannot agree either with what you propose at this stage of social development, that is, in the transitional period, or with what you forecast for the subsequent period. I have already said in the first part of our discussion that I consider the party, together with other organs of representative democracy, an institution which in the broad plane is of a suprasystem nature, performing the functions of main connecting link between society and the state. The interest groups and new social movements also confront the state, but, as distinct from parties, they do not struggle for power and are for this reason organizations of a "secondary" category.

I believe that merely this fact makes unnecessary the reservation for the party (or parties) of some special role or mission in relation to the nonparty groupings and organizations. If the party adequately performs the role of political organization expressing the interests of a given social community or communities, no decreeing of its official role is necessary. Just the opposite, the institutional enshrinement of such a role, that is, the subordination of public organizations to the party, would, as our own experience has shown, lead both to a weakening of the political activity of the party itself and to the atrophy of these organizations. In advancing the formula of the unions and youth and women's organizations as the party's "transmission belts" to the people Lenin by no means, it seems to me, intended that this be achieved with the aid of a decree or the constitution. The party, according to Lenin, was to achieve such a situation by its entire activity, work in the masses and the influence of its members and activists. When, however, the leading role of the party, in relation to the soviets included, was decreed from above, it was no longer necessary to exert particular efforts for this. As a result we obtained what we have currently.

For the solution of the problems confronting society we lack most currently an efficient, authoritative and competent state acting on behalf of the entire people and realizing its sovereign rights. As far as the party is concerned, it should function primarily as a public organization and as the political vanguard of society. There is, as we all know full well, heaps for it to do on this "front". And no other area of its activity is capable of generating political dividends which are so significant and which are so necessary for both it and society as this. Let us try to look into the future, a future that is not so far off, perhaps. You, Andranik Movsesovich, see this future as one in which, as I understand it, there will be no room for political parties. I see it, for our country included, in a different light.

Specifically, I anticipate that in the event of the democratic process continuing to develop, the party will encounter growing competition on the part of other political forces. Even now we can see a trend toward the acquisition by a number of nonparty public organizations of this feature or the other of "party-ness" (wide-ranging action platforms, nomination of their own candidates at elections, involvement in the struggle on a wide range of socioeconomic and political questions and so forth). Under the conditions of a one-party system this is, obviously, a form of development of political pluralism. It is possible that we will encounter a new form of political organization here and the emergence of a "mixed" type of organization. Incidentally, in Western countries also some of the new social movements are endeavoring to acquire the functions and, at times, the status of political parties, which is not, for all that, undermining the leading role of the parties as such in the political process.

To return to the situation in our country and in certain other socialist countries, it is not difficult to see what serious new demands this development will make on the ruling political parties. This is the direction in which the assertiveness of both the party masses and their activists and the leadership should shift. Efforts are being made even now, although not sufficiently vigorously everywhere, to begin to perform this role. However, the main thing here, it would seem to me, is still to come. Truly enormous efforts aimed at constantly strengthening its positions in society, raising ideological and scientific-theoretical activity to a new level corresponding to current requirements, training experienced and skillful political fighter and political leader personnel capable of winning and justifying the people's trust and striving to ensure that increasingly new public organizations link with it their highest political interests are required.

In the crucial pivotal period of our political development upon which we have now embarked it is particularly important to seek a strengthening of the ideological and political hegemony of socialist democratic forces. And I see no ways of accomplishing this task other than the

concentration of all the efforts of the party and the social and political forces in sympathy with it on the strengthening of its role as the true ideological and political vanguard of society.

Society and its political system may function normally only when each of its institutions and each of its subsystems performs the functions which are inherent in it, and performs them well, what is more. If in the course of perestroika we are able to achieve this and overcome the substitution of some institutions for others, we will thereby have created the conditions for the surmounting of the difficulties of transition with the least costs.

G. Diligenskiy. I believe we have had our say on the most important aspects of the subject of discussion, and it is evidently time for us to sum up. Such a summation could be, in my view, an answer to the question: what do we see as the difference between Western democracy, which remains basically bourgeois, and socialist democracy, that is, that which is to be established in our country as a result of the process of democratization of our political system which is currently under way?

S. Peregudov. As far as I am concerned, I would attempt first of all to make more specific the formula which is relatively widespread in our country according to which socialist democracy differs from bourgeois democracy primarily in that it removes the limitations typical of the latter, realizing democratic principles in the fullest form. In my view, so general a formulation prevents us seeing the highly appreciable qualitative differences of socialist democracy from bourgeois democracy and orients us toward the "extensive" path of democratization of our society. We have spoken a good deal here about the representative system and participatory system or "direct" democracy and, it seems to me, are of the unanimous opinion that Western democracy puts quite serious obstacles in the way of the political participation of the masses.

I see this not simply as the result of the incompleteness of the democratic process but also as a principal essential feature of democracy in Western countries contributing to the preservation of the given, capitalist, system. The development of democratic participation beyond certain limits is, from my viewpoint, a most serious threat to the system. And until the obstacles in the way of this development are overcome, capitalist society will remain capitalist. Marx's hope that universal suffrage would lead to the peaceful transition from capitalism to socialism has not, as we have seen for ourselves, been borne out. It has not been borne out because the ruling class has not only known how to preserve its ideological and political hegemony under the conditions of the granting of the right to vote to the whole population also but has also found other ways, in some respects more effective, of interaction with the state authorities and of influence

thereon. The main one is the direct political participation of "big business" and other influential groups of the ruling class in the mechanism of the formulation and adoption of the most crucial socioeconomic and political decisions.

I am by no means a pessimist in respect of participatory democracy in the West, on the contrary, I link with the growth of participation (in its most diverse forms) the future progress of this society and even more profound qualitative transformations therein than those which have taken place in past decades. But as yet capitalism remains capitalism, and the "shortage" of participatory democracy is and will remain a most important essential feature thereof.

I believe it is clear from what has been said that I see as the main fundamental advantage of genuine socialist democracy the fact that it does away with the imbalance inherent in bourgeois democracy between the representative and direct systems of political participation. And I would like once more to emphasize in this connection that I am very disturbed by the tendency to underestimate the task of the accelerated development of economic democracy. I fear lest there should befall us the fate of the French socialists, who put forward the slogan of self-management and then slammed the brakes on its realization. But whereas the French socialists did this having sensed the incompatibility of genuine self-management and capitalist production relations, for an attack on which they manifestly lacked the resolve and the forces, what is preventing us? It is not only the conservatism of the bureaucracy, I believe, but also the sluggishness of our own thinking, excessive pragmatism and a reluctance to look ahead and, to a certain extent, the illegitimate absolutization of the experience of the West where not it but we should have the first word.

G. Diligenskiy. I believe you have succeeded in formulating the outcome of our discussion precisely and clearly. To put it even more concisely, it may be said that the democracy which exists in the capitalist countries may at best function within certain limits **in the interests of the working people**. These limits are conditioned by the influence of the ruling class in the political system, but they are not "predetermined" once for all, depend on the actual correlation of class forces and may open up under the influence of the democratic struggle of the working people.

As far as socialist democracy is concerned, it is designed to be sovereignty exercised by the **working people themselves**. The entire world-historical, including "Western," experience of the progress of democracy testifies that this goal may be achieved only under the conditions of the free activity of forces and institutions of the civil society and recognition of the pluralism of interests and opinions and the precise delineation of the functions of various institutions and authorities preventing an inordinate concentration and centralization of power threatening democracy. No less important conditions for the

achievement of this goal are the coordination and regulation of various group interests based on the principles and goals of socialism and a guarantee of the rights of each and everyone to the exercise of independent political activity and political initiative and participation in the formulation and adoption of decisions at all levels of public life.

I would like to add to all this that the integrity of the modern world is expressed not only in the interdependence of its various parts but also in a particular community of urgent requirements and problems of social development. One such problem is the need for the democratization of socioeconomic and political structures. For this reason, granted all the difference in the conditions which exist in the socialist and capitalist countries, the time is ripe for a dialogue between the politicians, public figures and scholars of these countries on problems of democracy. Our journal has already done something to organize such a dialogue: last November we conducted an international roundtable on the problem of democratization of modern societies. Its material will be published in a coming issue, and we hope that it will be a sound continuation of this discussion.

Footnote

* Conclusion. For part I see MEMO No 11, 1988.

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Political, Economic 'Pluralism' in Nicaragua Stressed

18160006 Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA in Russian No 1, Jan 89 pp 83-96

[Article by Tatyana Yevgenyevna Vorozheykina, scientific associate of the USSR Academy of Sciences IMEMO: "Nicaragua: Certain Features of the Transitional Period"]

[Text]

I

The 10-year experience of the implementation of revolutionary transformations in Nicaragua is one of the most interesting and distinctive in the social development of the "third world" in the 1980's. Indeed, in terms of its origins the Sandinista revolution differs appreciably from all popular-democratic processes in the developing world inasmuch as it was victorious not in a multistructural but in a capitalist society. "Genetically" the Nicaraguan revolution is closest to the Cuban revolution: in both countries the new authorities emerged as the result of a local, popular movement which did away with the military-repressive machinery of pro-American dictatorial regimes and, together with it, the political

foundations of bourgeois power. At the same time post-revolution development in Nicaragua has taken an entirely particular path: contrary to predictions, Nicaragua has not become a "second Cuba".

The "26 July Movement" was not by the time that power was won a Marxist organization and developed ideologically together with the revolution. However, the socialist nature of the revolution on Cuba was announced 2 years after the ouster of the dictatorship, at the time of the repulse of the armed aggression of imperialism, which corresponded to the actual dynamics of the development of the revolution in the socioeconomic and political-psychological spheres and at the same time was a most important factor of the mobilization of the masses, which just 2 years prior to this had been of an anticommunist mind.

The Sandinist National Liberation Front (FSLN), on the other hand, which emerged under the direct influence of the victory and growth of the Cuban revolution, took shape from the very outset as a Marxist-Leninist organization, whose program (in the 1960's and 1970's) incorporated a proposition concerning the socialist—ultimately—nature of the future revolution. But, having won power under democratic and anti-imperialist slogans, the Sandinistas proclaimed a policy of the preservation of national unity and economic and political pluralism. An important part in the adoption of this course was played by foreign policy and foreign economic factors: the endeavor to expand as far as possible the number of allies of the Nicaraguan revolution overseas and secure for it the benevolent attitude of a number of West European and Latin American governments and international social democracy, which was particularly material following the assumption of office in the United States of the Reagan administration. However, this orientation did not change even with the exhaustion of propitious external factors, under the very harsh conditions of military aggression, which is beyond comparison in terms of duration and scale with the Bay of Pigs invasion in 1961.

Only after 9 years did the Sandinista leadership consider it possible to talk about a socialist prospect of the development of the revolution, at the same time emphasizing that it was a question of a socialism whereby the defense of the interests of the workers and peasants was inseparably connected with reliance on a mixed economy and political pluralism.¹ In other words, the socioeconomic and political line adopted by the FSLN, which had originally appeared purely tactical, increasingly acquired the features of a long-term strategy oriented toward the search for its own path of the building of a new society in a backward country with a dependent economy.

The model of transitional society developed by the FSLN presupposes the long coexistence of the public and private sectors in industry and agriculture (in large-scale

production included) and, correspondingly, allows of the preservation of a bourgeoisie as a social and political force, including its political parties and mass media.

In advancing this model the Sandinistas proceeded from the fact that the monopoly of political power which had been won would allow them not to force socioeconomic transformations and to ensure the predominant position of the state and the public sector in the economy, relying on the nationalized property of the Somoza clan and the families close to it. It was considered that under these conditions the bourgeoisie would operate mainly from its own economic interests. Such assessments and the very logic of the arguments were buttressed to a considerable extent by the fact that throughout the country's history the Nicaraguan bourgeoisie had been subordinate to the dictatorship both economically and politically.

The bourgeoisie had never performed under Somoza the role of real political force and for this reason, according to the logic of the Sandinistas, in the new political situation also it should not aspire to political power. The expansion, on the other hand, of the opportunities for economic activity (liberalization of credit, a variety of subsidies and other incentives) was to compel the Nicaraguan bourgeoisie, which had under Somoza been practically suppressed by the clan, which had monopolized all profitable spheres of the economy, to ultimately give preference to purely economic interests over all others, political included. The economic stimulation of the bourgeoisie and the expansion of its capital investments in production corresponded to the goals of the new authorities in the sphere of economic restoration and the surmounting of backwardness.

An appreciable role in the development of production, agricultural particularly, was assigned the cooperative sector. The system of economic pluralism was thus conceived of as an analogy of the NEP: the mixed economy was to function as a single whole under the aegis and given the coordinating role of the state in possession of the commanding heights.

The Nicaraguan model was implemented in practice at the first stage (prior to the start of the concentrated intervention in 1983) under quite propitious conditions. Revolutionary Nicaragua maintained good relations with many Latin American governments and obtained credit from international financial organizations and considerable economic assistance from a number of West European countries. Within the country the FSLN relied on the direct political support of a majority of the people, and the Sandinistas' right to power was not really disputed by anyone: the other political parties were weak and unable to propose alternatives, and the potential counterrevolution had been demoralized by the collapse of the Somocist regime.

As a result of the nationalization of Somoza's property a large-scale public sector, which encompassed approximately 30 percent of industrial production and 20 percent of the total cultivable agricultural area, was created. This land was not distributed among the peasants: state farms were created on the basis of the expropriated estates, some of which represented agro-industrial complexes of an export orientation. Later, in 1981, the first agrarian reform law providing for the confiscation of neglected or inefficiently worked holdings of an area of over 370 hectares on the most populous Pacific shoreline and over 740 hectares on the rest of the country's territory was enacted. However, the application of this law, although having reduced appreciably manorial land-owning in the country (from 40 percent of total agricultural land in 1978 to 12 percent in 1984), left practically unchanged the position of the landless and land-hungry peasantry. Primarily state farms were again created on the confiscated land, but the peasantry, however, obtained land, as a rule, only on condition that it joined cooperatives. The continuation of private ownership of the efficiently operating farms, large and very large included, up to 1985 remained a basic principle of the FSLN's agrarian policy.

By 1983 the Sandinistas had managed to achieve a substantial rise in the living standard of the working people by way of income redistribution, wage increases, the granting of various privileges, price subsidies on foodstuffs and increased government spending on health care and education. All these measures could not have failed to have led to a sharp increase in the expenditure side of the budget and a growth of its deficit. As a whole, however, Nicaragua's economic development in the period 1979-1983 was successful: the 1977-1978 production level was restored in many sectors of the economy and exceeded even in some.³ Despite the world economic crisis, a positive and relatively high growth rate (approximately 4.5 percent annually) was maintained in a period when in the majority of Latin American countries a decline therein was observed. A most important factor enabling the Sandinistas to combine economic growth with social policy aimed at an improvement in the position of considerable numbers of the population was external financing and Nicaragua's broad access to international credit and assistance.

The FSLN's political strategy in this period was subordinated to two main goals: ensuring the efficient functioning of the mixed economy and at the same time preserving and strengthening the potential of the popular movement, which was the main support of Sandinista power, which had been built up in the struggle against the dictatorship. The policy of national unity pursued in Nicaragua deprived the FSLN of the most effective means of mobilizing mass support (which had in the past been applied successfully on Cuba)—the direct class struggle of the workers and peasants. In addition, as of the end of 1979 even the Sandinistas had been forced to put a stop to numerous attempts at the spontaneous seizure of enterprises and agricultural holdings. For this

reason one of the front's most important tasks had objectively to be a search for different ways, forms and, what is most important, goals of mass struggle. Initially the Sandinistas took, however, the relatively traditional path of the creation (from the top down, as a rule) of their own mass organizations: trade union, youth, peasant and women's organizations and Sandinist defense committees and the organization of large-scale mass campaigns (elimination of illiteracy, mobilization for the coffee-bean picking, improvement of urban neighborhoods and so forth). The easiest, superficial forms of organization of the masses were hereby relatively quickly exhausted. The inertia of the anti-dictatorial struggle remains the most important and, essentially, the sole mobilizing factor in the first 3-4 years of the Nicaraguan revolution. This undoubtedly secured for the FSLN, combined with the political effect of its social policy particularly, the support of the vast majority of the people. However, the absence of other, just as effective, impulses of mass struggle whose effect had not diminished but increased could not have failed to have had negative consequences, which were manifested in the next stages of the revolution.

At the same time proclamation of the principle of political pluralism under the conditions of the actual sociopolitical hegemony of the FSLN created a relatively complex and intrinsically contradictory situation. The majority of opposition political parties was uninfluential, and none of them could, as already mentioned, propose a real alternative to FSLN policy. In this connection there was a danger that political pluralism could from the very outset become a fiction, whereas the Sandinistas were concerned for parties, and not economic pressure and military counterrevolution, to be the means of expression of the political interests of the bourgeoisie. Whence the Sandinistas' endeavor to preserve the bourgeois parties' access to the mass media and provide for their integration in the developing political mechanism (the creation of a State Council, in which the majority of political parties was represented, and the inclusion of bourgeois politicians in the government). However, the action of this mechanism was not (and this was enunciated plainly in the first years following the victory of the revolution) to affect what was most important—the plenitude of real power won by the FSLN in the course of the armed struggle against the dictatorship.

This situation modified appreciably the nature of the economic functioning of the private sector in Nicaragua. And it was not only a question of the scale of state regulation and state ownership but mainly of the very existence of an authority anti-bourgeois by its very sociopolitical nature.

Under these conditions—and contrary to the Sandinistas' endeavors—it was economic power which became the most important weapon in the possession of the Nicaraguan bourgeoisie for exerting real pressure in the political sphere.

II

The model of economic and political pluralism was geared to a lengthy prospect of peaceful development and was at the same time itself to have created the conditions for such development. The Sandinistas endeavored to avoid a situation whereby it was precisely the start of socioeconomic transformations which created incentives to the mobilization of counterrevolution, which prior to this had been demoralized by the collapse of the ousted regime. The moderation of the Sandinistas' socioeconomic line combined with the plenitude of political power which they had won and the maximum possible consideration of the interests of various social classes and groups were aimed at preventing the consolidation of the armed counterrevolution. From the viewpoint of the internal correlation of forces such a prospect was, seemingly, perfectly realistic, however, despite all the flexibility of their domestic and foreign policy, the Sandinistas proved incapable of preventing the export of counterrevolution. In addition, it was the novelty of the Sandinista project, which had revealed a new channel of the national liberation revolution on the continent and thereby its "second wind," which caused to a considerable extent the particular aggressiveness of American imperialism in respect of Nicaragua.⁵ The single-minded policy of the Reagan administration played a decisive part in the unleashing of war in this country: neither the creation and arming of the contra army, its survival as an effective force nor the duration and scale of the war would have been possible without the constant and growing support of the United States. But even introduced from outside, the war under the conditions of the developing revolutionary process became the principal factor shaping the economic and political situation in the country and refracting the behavior of all parties to the sociopolitical conflict.

The war was a test of strength for the viability of the Nicaraguan model. First, an insistent need for the concentration of resources arose, which led, contrary to the Sandinistas' original intentions, to the increased centralization of the economic system and a growth of state intervention. Second, and this would seem more important, the emergence in the shape of the U.S.-supported contras of a real alternative to the authority of the Sandinistas constricted appreciably the objective possibilities of the economic and political cooperation of the Sandinist government and the bourgeoisie. Under these conditions the latter's readiness to accept the proposed rules of the game (that is, to contribute to the economic consolidation of a politically alien authority) became even more problematical than in peace time. On the other hand, the deterioration in the economic situation and the intensification of the difficulties of the new regime corresponded to the greatest extent to the interests of the section of the Nicaraguan bourgeoisie which retained hope of a return to power. Thus with the expansion of military operations an increasingly tough position in respect of the FSLN came to be occupied by

the most influential Nicaraguan employers' association—the Confederation of the Private Sector—which maintained political relations with the contras. In time the majority of bourgeois politicians, who had in one way or another cooperated with the FSLN in the first years of the revolution, found themselves in opposition, and some, directly in the camp of armed counterrevolution.

Nonetheless, not all the Nicaraguan bourgeoisie occupied an obstructionist position in respect of the Sandinist government. What was said above applies to a large extent to the urban bourgeoisie. Rural employers, on the other hand, including some exporters, whose capital was invested mainly in land holdings, basically supported a policy of cooperation with the government, without which they were unable to provide for the reproduction process: credit, agricultural equipment and the infrastructure and sale of the product for export were fully controlled by the state.

The war made Nicaragua's economic situation sharply worse and very quickly reduced to nothing the successes in the restoration of the economy scored in 1979-1982. As of 1983 the Sandinistas were forced to increasingly subordinate economic policy to the tasks of defense. Military spending, which constituted from 40 to 50 percent of the national budget, diversion into the army of considerable numbers of the able-bodied population, destruction of production potential and the infrastructure, the decline in exports (military operations were unfolding in the main coffee-producing parts of the country), disruption of the already inadequate intra-economic relations—all this led to the abrupt growth of the budget deficit and became an additional powerful factor of inflation (together with the FSLN's social measures mentioned earlier). This effect intensified the unpropitious foreign economic conditions, primarily the continuing fall in the price of Nicaraguan export commodities.

The war inevitably made adjustments to the political model also. In 1983-1984 the Sandinistas periodically imposed restrictions on political and personal freedoms (specifically, meetings and demonstrations), imposed press censorship on reports of a military nature and repeatedly stopped publication of the main opposition newspaper LA PRENSA and also the activity of antigovernment, including religious, radio stations. However, in this period the restriction on civil liberties was partial and, as a rule, temporary and did not violate, on the whole, the rules of the political game determined in the peaceful period: all opposition parties and mass media which wished to participate in political life had such an opportunity. The main confirmation of the seriousness of the Sandinistas' intentions and their endeavor to preserve under the conditions of the war also the pluralism of the political sphere were the presidential and parliamentary elections in November 1984. They were conducted under international supervision; all the parties which registered to participate in them, an also,

incidentally, those which, abiding by the policy of the U.S. Administration, called for them to be boycotted, were afforded campaigning opportunities.

The elections undoubtedly played their part in dividing the forces opposed to the FSLN, and the Sandinistas were successful in preventing the unification of the bulk of the political opposition and the military counterrevolution. However, the main goal of the elections—legitimization of the regime—had been not of a domestic but foreign policy nature. It amounted to preserving the support of European social democratic governments and parties and also of Latin American countries under conditions where pressure on them on the part of the United States had increased sharply. Within the country the legitimacy of FSLN power was in the eyes of a majority of the people based, as before, on its authority as the force which ousted Somoza and was now resisting foreign invasion. The very readiness of the Sandinistas to hold elections in the emergency situation was explained by their confidence in the support of the bulk of the population.

While confirming the predominant political influence of the FSLN in the country, the elections at the same time showed that the actual scale of this influence was somewhat less than had been supposed. One-third of the electorate opposed the FSLN in this form or the other. The clearest indicator that all was not well was the voting of some of the peasantry. It was the peasantry which had found itself in the zones of military operations, that is, where Sandinista authority was being openly contested. The flaws in the front's social policy in respect of the peasantry, primarily the miscalculations in the implementation of agrarian reform, were revealed under these conditions. Prior to 1983 the reform, as already mentioned, made practically no changes to the position of the landless and land-hungry peasantry. The Sandinistas endeavored to prevent the comminution of land holdings into mini-holdings, believing it possible to negotiate the phase of petty commodity peasant production by way of the creation of state farms and cooperatives on the land which had been expropriated. The unjustified hopes of the poorest peasantry for the acquisition of land and its unhappiness at the formation of cooperatives (allocation of land on condition of affiliation with a cooperative), which was essentially being imposed, combined with the fears of the more prosperous strata brought about by the expropriation of the property of Somoza and the major manorial holdings; and the latter was perceived as the start of a struggle against private ownership of the land. Violation of the interests of the peasantry led, as D. Ortega emphasized on 19 June 1983, to the creation of the social base of counterrevolution in certain parts of the country.⁴ The danger of the intervention becoming civil war was thereby created.⁵

The situation concerning the peasantry was, however, merely part of a more general problem born on the one hand of the specifics of the Nicaraguan model and, on the other, the shortcomings in the mass-political work of

the front. In 1983-1984 the Sandinistas proceeded from the fact that the very scale of the external threat ("several days of pigs daily") was so powerful a factor rallying and mobilizing the masses that it would compensate with interest for the weakness of the social impulses of the popular movement. In addition, the entire activity of the mass organizations was exercised in accordance with sets of instructions sent down from above, and the leaders of the local cells felt themselves responsible merely to the higher authorities. The result of this was the bureaucratization of the entire system of mass organizations—Sandinist defense committees, peasant organizations and trade unions—which proved insensitive to the specific needs of the masses incorporated in them. And the people's reaction was not slow in coming: by 1984 the influence of these organizations had begun to fall sharply, and membership in them declined or was of a formal nature.

The FSLN was in fact up against a situation tantamount to a political crisis, and the principal source of the front's strength—live and direct communication with the people and rootedness in the masses—was in jeopardy. The war forced the Sandinistas to evaluate this danger relatively quickly, and as of 1985 they began to restructure their work in the mass movement. The main rule of this restructuring was to give the masses the feeling that really, on the basis of their own daily experience, this was their revolution and their power and to afford them for this an opportunity to themselves exercise this authority at the local level and adopt decisions which influence the specific conditions of their lives. It was thus a question of transition to self-management in the mass organizations and their conversion into a channel of realization of popular initiative which was genuine, and not sent down from above. Elections, in the course of which people nominated directly by the residents of the neighborhood, workers of a specific enterprise and members of a given agricultural cooperative became leaders of the organizations, were held to this end in all the mass organizations. As a result it was the primary component of the mass organizations which became the key component for the solution of the most important problems of production, supply, the improvement of urban neighborhoods and so forth.

Simultaneously the Sandinistas set the task of conversion of the local FSLN committees into real exponents of the decentralization process and an actual (alongside and together with the mass organizations) center of local authority. For this purpose elections of local FSLN committees, which had frequently consisted of functionaries known only to a very few, came to be held directly at the enterprises, and the candidates for these committees were nominated by the working people themselves, furthermore. All this initiated a process of radical democratization and democracy from below, which alone can make the power of the people a reality perceptible to the people themselves. A new basis for the mobilization of the masses and for surmounting their passiveness and the weakness of the social impulses of

mass struggle emerged in the course of this process. The gap between the authorities and the masses which had come to light in 1983-1984 is hereby being successfully negotiated.

The significance of this process should not, of course, be exaggerated. On the one hand it is as yet a question basically of Managua (although this is quite something in itself: approximately half a million inhabitants out of the country's population of 3.5 million reside in the capital). On the other, there are also objective obstacles in the way of realization of this trend. It is contradicted by the very principle of the vertical, strictly centralized organization of the FSLN which is associated with its origins as a military-political organization and which inevitably intensified under war conditions. Besides, this process has brought about resistance on the part of government bodies and ministries, which have perceived it as interference in their affairs and as an attempt to create alternative authorities.

There is a whole number of problems at the enterprises also: genuine self-management presupposes that one regard the enterprise as one's own, which may be imagined in respect of a state-run, but by no means of a private enterprise. In the latter case this could, of course, be a form of worker control. However, if the main objective task dictated by a most difficult economic situation is a maximum increase in production and an upsurge in productivity and, consequently, the owner's profits, it is unrealistic to expect the workers to fully identify their own interests with those of the enterprise and, given a lively and thriving proprietor, perceive themselves as the authority. In any event, some additional conditions are needed for this.

But the main problem is, it would seem, that age-old passiveness and submissiveness and, simultaneously, dependent mood in respect of any authority, be it the government, the boss or the village cacique fostered by centuries of oppression and dependent development which permeate the whole of society from top to bottom and which are disappearing extremely slowly. But even granted all these defects, the experience of implementation of local, popular democracy in Nicaragua, unparalleled as yet, merits the closest attention.

In parallel with the restructuring of the activity of the mass organizations the FSLN radically changed its policy in respect of the peasantry: the mass allotment of private-peasant land began initially in the areas of the greatest landlessness and subsequently throughout the country as of 1985. In 1985 the land was distributed mainly thanks to the manorial possessions and also by way of the parceling out of some state farms. A new agrarian reform law was enacted at the start of 1986, in accordance with which the maximum dimensions of land ownership not liable to alienation was lowered 10-fold compared with 1981 (from 370 hectares on the Pacific coast and 740 hectares in the remaining areas to

37 and 74 hectares respectively). Thanks to these measures, the Sandinistas managed to strengthen their social base and break the trends in the mood of the peasantry, of which the counterrevolution had begun to take advantage. But at the same time these measures led to a sharp decline in the production of a principal export crop—cotton—inasmuch as it was the cotton plantations which had constituted a considerable part of the land redistributed among the peasants. Fearing further confiscations, the cotton producers cut back their sowings of this crop, which requires big capital investments and simultaneously significant labor expenditure.

Observance of a balance between the production of export crops securing currency for imports and the production of cereals intended for internal consumption became a most complex problem of the FSLN's agricultural policy. In 1979-1984 the ban on free trade and the low state purchase prices of cereals consumed within the country led to a fall in the production of the basic foodstuffs. At the same time, however, export crops were the subject of priority stimulation, in pricing policy included. The radicalization of the agrarian reform and, particularly, the authorization in 1986 of free trade in corn and beans made it possible to rectify the situation relatively quickly and improve supplies to the population appreciably. However, the violation in 1985-1986 of the principle which had been proclaimed earlier of the preservation of efficiently operating private property caused the discontent of the rural bourgeoisie and was not slow in being reflected in exports (although the policy of their stimulation continued, payments in hard currency included). Therefore the Sandinistas are endeavoring at the present time to infringe the private sector by expropriations to the minimum, catering for those in need of land mainly thanks to state property, which in the past year was almost halved.⁶ As a whole, the Sandinistas believe that, although there are still landless peasants in the country, the bulk of the transformations in the countryside has already been accomplished, and the private owners who remain are fully on the side of the revolution.⁷

Nonetheless, despite the balanced nature and flexibility of the Sandinistas' agrarian policy, the basis thereof is, evidently, a certain duality connected with an actual contradiction of reality. Some 4-5 agricultural crops are and will for a long time to come remain the fulcrum of Nicaragua's economy. Whence the Sandinistas' constant endeavor to make the agrarian transformations the least painful and not to undermine the large farms which are operating successfully. At the same time, however, the main political support of the FSLN in the countryside are the middle and small peasantry and agricultural workers.

The economic expediency of the preservation of large-scale agro-exporting farms, whether in private or state form, is obvious. However, the history of agrarian reform in Nicaragua shows very clearly that the attempts to "surmount" the political logic of the revolutionary

process in the name of economic efficiency and disregard (as contrary to the tasks of socioeconomic development) the demands of the peasantry embodied in the slogan "The Land to Those Who Work It!" are fraught with serious political complications for the revolutionary authorities.

III

The Sandinist government's relations with the peasantry on the one hand and the mass organizations on the other are merely individual manifestations of a problem common to all revolutions—the correlation of politics and economics. In a society emerging from revolution politics is the leading, most dynamic sphere and "cannot fail to take precedence over economics."⁸ The predominance of the political sphere is connected also with the specifics of revolutions effecting a movement beyond the confines of immature, underdeveloped capitalism, the different development procedure noted by V.I. Lenin and the different transition "to the creation of the basic prerequisites of civilization."⁹ Under these conditions the main weapon of the social and economic transformation of society is political power. For this reason the central task of the revolutionary vanguard subordinating all others is the strengthening of this power, a decisive component of which is the expansion and deepening of its social base. Political logic at the first stage thereby inevitably becomes the dominant of the entire post-revolution strategy, of a most important component thereof—the economic course—included. The basis of its principal directions such as providing for the working people's basic requirements, maintaining the minimum level of their real income, expanding employment and transferring land to the peasants are not economic regularities but political necessity. The entire set of economic problems born of backwardness and the very revolutionary transformation of the socioeconomic sphere cannot be tackled successfully merely by economic methods, without regard for the refracting impact of the political sphere on all economic processes without exception.

No less important is something else also: as distinct from the economy, where there are strict inhibitors of an objective nature, the political sphere affords the revolutionary authorities far greater opportunities for maneuver making it possible to soften and neutralize inevitable economic difficulties.¹⁰

But the "compensating" possibilities of the political sphere are far from limitless. The greater the passage of time, to a greater extent do the results of economic policy influence the working people's political will. The implementation of socioeconomic transformations geared to the long term must be linked with efficient short-term economic policy inasmuch as in time (if, of course, mass extra-economic compulsion is not employed) it is it which becomes a most important component of a strengthening of the hegemony of the revolutionary forces in society.¹¹ Rooted here, of course, is an objective contradiction, whose solution constitutes a principal

difficulty of the revolutionary authorities: in order to be efficient economic policy has to proceed primarily from the regularities of the economy, their violation leading sooner or later to the undermining of consensus and, consequently, the social basis of power. At the same time, however, this violation is practically inevitable as a consequence of the above-mentioned objective primacy of political logic over economic logic in the transitional period.

It needs to be mentioned that it is a question precisely of political logic, whose essence is the mobilization of the forces constituting the social base of the revolution. Policy and political methods, including the political component of the economic course, cannot be identified with and reduced to command-administrative methods, although there is no doubt that it is here, in the primacy of the political sphere, that there reside the objective roots of state-bureaucratic distortions and a danger that the autonomy of policy could be and very often is perceived by the revolutionary vanguard as an opportunity for total arbitrariness in respect of the economy.

There is for each stage of the revolutionary process, evidently, a particular correlation of political and economic ingredients. Its disturbance in this direction or the other always entails a threat to the revolutionary authorities. In post-revolution Russia the attempt to switch from war to peace by way of a further strengthening of political (war-communism) methods of leadership of the economy brought about a political crisis in the spring of 1921, the way out of which was the NEP. In Nicaragua in 1983-1984, on the other hand, the preponderance in favor of the purely economic constituents of the FSLN's economic policy based from the very outset on NEP principles led under the conditions of the war to a disturbance of the political consensus and also to a threat of crisis. It was logical that the way out of this situation was an intensification of the purely political aspects of the front's entire activity, primarily the imparting of a political nature to the agrarian reform.

All that has been said does not mean that the correlation of the economics and politics in the transitional period is strict and predetermined once for all. On the contrary, the accomplishment of a transition from immature capitalism to a new social and economic formation is connected in the long term with the gradual surmounting of the domination of political logic and a growth of elements of economic self-regulation. It would seem that it was this which was the basis of Lenin's concept of the NEP as an economic policy and management of the economy chiefly by economic means and proceeding from economic regularities, although the most important prerequisites of this transition are, according to Lenin, the decisive political gains of the revolution: the ouster of the political power of the bourgeoisie and the establishment of public ownership of the means of production.¹² The complete surmounting of the primacy of the political sphere is possible only at the end of the transition

period, when the new system relies on a self-regulating economic basis. The latter, evidently, is the criterion of the completion of the transitional period.

This entire set of problems is all the more complex under the conditions of Nicaragua, where a policy of slow, gradual socioeconomic transformation presupposing the organic intergrowth not only of elements but of whole blocks of the previous structure in the new system and, consequently, the maximum possible preservation of the former economic logic based on market regulation has been proclaimed.

IV

As of 1985 the country's economic situation deteriorated sharply: to the increasingly severe consequences of the war and the structural shifts in the world capitalist economy¹³ was added a new factor—the embargo imposed in May 1985 by the United States. The blockade proved to be a particularly severe blow to the Nicaraguan economy owing to the extreme weakness of the relations between its individual sectors, the majority of which was locked into the corresponding industries in the United States, and Nicaragua's dependence on raw material, equipment and energy imports. All this forced the Sandinistas to essentially abandon the policy proclaimed in preceding years of the reconstruction and development of the economy and, winding down the majority of economic projects, to switch to a policy of "survival". In 1985 they implemented a set of measures geared to the economy's adaptation to the current situation: consumer subsidies were eliminated, the monetary unit was devalued, a parallel currency market was legalized and state spending on social needs was cut. Simultaneously wages were unfrozen in order to maintain their purchasing power, and a new policy on prices, which were to compensate for the producer's costs and secure for him a certain level of profit, was introduced. The peasantry and wage workers of the material production sphere received priority in the supply of basic necessities. All this, the Sandinistas believed, afforded an opportunity for the implementation of a more realistic economic policy and, given continuation of the mixed nature of the economy, the prevention of a fall in the working people's living standard.

The decisive impact of external factors on Nicaragua's economy prevents an objective evaluation of the efficiency of the Sandinistas' economic policy. However, there is no doubt that the causes of the present economic difficulties are not exhausted by the war, the crisis and the blockade inasmuch as both internal problems and contradictions of the initial economic model and also the miscalculations and mistakes in economic policy connected therewith are becoming increasingly apparent.

The first such open problem is the entire set of the state's relations with the private sector. Throughout the recent, economically most difficult years the Sandinistas have repeatedly confirmed the long-term nature of the

adopted economic model. Enterprises of the private sector operate in Nicaragua on the same terms as state enterprises, and the policy of subsidies and credit for both sectors is the same. In addition, private enterprises are actually subsidized on a par with state enterprises inasmuch as the profitability of both was ensured up to 1988 thanks to financial levers—the pricing mechanism described above, the exaggerated exchange rate of the national currency (for importers) and a multiplicity of exchange rates at the time of export and import transactions.

At the same time Nicaragua has not found an optimum correlation of state regulation and the market which would enable the state to preserve the commanding heights in the economy and at the same time secure the necessary scope for private initiative. This problem is further intensified by the fact that, despite the initial orientation toward economic pluralism, the Sandinistas have not managed to avoid the monopoly position of various ministries (specifically, controlling foreign and domestic trade, resource allocation, construction, transport), in which particular interests have taken shape. The control of the actual economic process is split into individual sections under the jurisdiction of various departments, which, as a rule, has been to the detriment of the producers—both state and private.

The Sandinistas attempted to solve this problem by way of the creation of a special department which would coordinate the activity of all economic ministries. Initially this was the Ministry of Planning, which was headed by a member of the national leadership; then, as of 1985, by the Planning and Budget Secretariat attached to the office of the president of the republic. Practice, however, has shown that under Nicaragua's conditions engaging in any detailed current forward planning, particularly in directive form, is impossible. Neither a 1-year nor 3-year plan has yet been fulfilled. Of course, the main reason for this is the war, but it is more than just a question of this, evidently. It is extremely difficult in general practicably planning the development of a small unstable economy which is decisively dependent on external conditions. In addition, as the experience of the socialist countries also shows, centralized planning by no means spares an economy the domination of departmental interests. In all probability, the introduction of a strict planning system (had this been possible) under Nicaragua's conditions would only have intensified the majority of economic problems, particularly those connected with the functioning of the private sector.

In practice the task of coordination of the Nicaraguan economy has been entrusted to the financial system. The main lever of state regulation has been credit and monetary policy. The main instrument of this policy in 1985-1987 was a system of prices and subsidies (via the difference in exchange rates) for private and state enterprises designed, as the Sandinistas intended, to stimulate increased production. In practice this meant that the

price determined by the state was to compensate the producer for his increased costs and ensure a profit level which was on each occasion determined by way of the entrepreneurs' negotiations with the appropriate ministry. It was believed that, given such a mechanism, inflation, which was essentially planned, should stimulate production activity, which, in turn, would make it possible to solve the basic social problems and, primarily, ensure employment. The constant price rises were to be compensated by corresponding increases in wages, which, seemingly, afforded an opportunity for an increase in production without sacrificing the population's living standard.

Indeed, for some producers, particularly those involved in the cultivation of agricultural crops with a short capital-turnover cycle—sorghum, corn, beans—such a system proved profitable. In addition, under such conditions all enterprises became profitable, although this profitability was essentially fictitious inasmuch as it was achieved exclusively with the aid of financial levers, and not by way of increased production efficiency.¹⁴

As a whole, however, this policy led to quite serious economic consequences. The relative price system was put in disarray, which deprived the state of the possibility of influencing the economy in the right direction. The result of the artificial reduction in the price of imports was an increase in unproductive consumption and the scattering of resources on many projects with a long repayability timescale. Private entrepreneurs and leaders of the public sector developed distorted, exaggerated ideas concerning the economy's actual possibilities. There was an abrupt growth in the budget deficit, the main source of coverage of which (to the extent of 70 percent) was emission. Unchecked price increases began, and inflation in 3 years went out of control and, having amounted to 1,500 percent by the end of 1987, reduced to nothing the majority of the ostensible advantages of such a policy. As a result by 1987 the national monetary unit had ceased to perform the role of basic means of circulation. The country's economy had in fact been dollarized, to which both its open nature and the policy of the government, which was paying exporters a bonus in hard currency, contributed. The dollar essentially became the sole real means of access to the majority of material benefits. Under such conditions the most profitable sphere of activity was not productive but speculative.

All this could not have failed to have been reflected in the position of the working people. Inflation undermined the purchasing power of wages, which, despite the constant increases, ceased to be a living wage. The government attempted to prevent a fall in the living standard with the aid of subsidies for the basic consumer "basket," the creation of worker-support centers directly at the enterprises and so forth. However, as a whole, these measures proved ineffective inasmuch as the subsidizing of the basic set of consumer commodities created additional strain for the entire economic system and

spurred inflation even more. A substantial quantity of products disappeared from the rationed distribution system onto the parallel market, and resale of commodities purchased at official prices became one of the easiest forms of deriving income, sometimes two or three times more than one's wage.¹⁵

The result of all these processes was the accelerated growth of the so-called informal sector, thanks to which considerable numbers of working people of the town put into practice their own "survival strategy". Bigshots getting rich on smuggled food and basic necessities from Central American countries also operate in this sector. However, the vast majority of the tradesmen or, rather, tradeswomen are wives and the relatives of those who receive a wage. It is frequently the sale of home-made items and petty profiteering which are the main source of family income.

Chaos in the financial system and inflation have brought about a number of negative processes in the social sphere. First, the mass deproletarianization of the already weak and small working class of Nicaragua is taking place. Second, the existence of the informal sector has become, together with the war, a reason for the mass influx into Managua of rural inhabitants. It has been possible to partially stem this stream following the authorization in 1986 of free trade in certain grain products. However, living thanks to buying and selling seemed even until recently easier compared with peasant labor, and for this reason the capital remained a magnet for many rural migrants, who have become here marginals and have been forced to exist under very harsh conditions. Third, the existence of the parallel economy has inevitably led to the spread of corruption.

These processes, which affect primarily the strata which constitute the social base of the revolution, are inevitably weakening the mass organizations supporting the Sandinist front inasmuch as the most important thing for the working people under the current conditions is individual struggle for existence. The informal sector has become a most important object of the ideological work of the church hierarchy—the most dangerous and farsighted political opponent of the FSLN.¹⁶ The government's repeated attempts to combat profiteering by administrative methods have not, as a rule, had an economic effect and have politically proved harmful even insofar as the boundary between people working for wages and the "informal" is in reality disappearing. Many of the "profiteers" and "antisocial" elements against whom efforts have been made to mobilize public opinion were in the recent past workers and peasants, that is, precisely those on whom the FSLN principally relies.

All that has been said testifies, in our view, that the specific economic problems—inflation, the purchasing power of wages—will sooner or later inevitably become most important political issues. No force opposed to the Sandinistas has as yet been able to "capitalize" on the

growing discontent with the economic situation. This has been prevented to a decisive extent by the people's memory of the recent Somocist past, the external threat, the policy of democratization from below which has been pursued recently and also, evidently, the fact that both the working people and the employers sense that the government is endeavoring to take their economic interests into consideration.

The agreements on ways of a political settlement of the Central America conflict concluded in August 1987 in Guatemala City afforded the Sandinistas an opportunity to cancel certain emergency measures and return to the original model of political pluralism. LA PRENSA began to appear as of the end of 1987, and the opposition radio stations resumed their activity. Under these conditions it was particularly important for the Sandinistas not to miss the moment when complaints about economic difficulties begin to grow into mass political protest. The political need for a reform designed to solve the main problems of the functioning of a mixed economy was obvious. Of what kind should the mechanism for protection of the working people's living standard be in order that it not become a factor generating inflation? How to preserve the commanding heights in the economy without turning state control into an impediment to private initiative? Of what kind should a system of state regulation be which stimulates the real growth of production, and not an increase in producer costs?

In 1988 the Sandinista government has been effecting a radical change in economic policy, the main purpose of which is stabilization of the currency. The Sandinistas have in principle abandoned state control of pricing and centralized wage increases, according to the producers themselves the right to determine the price of their products and make additional payments to the workers depending on enterprise profitability. The system of cheap credit to producers has been eliminated (it was not returned to the banks, as a rule), and the discount rate, which must now change in accordance with the inflation level, has risen sharply. The government has announced that it will maintain the real parity of the cordoba in relation to the dollar in order to put an end to the policy of cheap imports and stimulate exports.

The Sandinista leadership considers the economic reform a necessary step in order to prevent the disintegration of the economy and ensure defense of the revolutionary power under conditions where hopes for an end to the war in the short and medium term appear unrealistic.¹⁷ The adopted measures are, evidently, the sole possible way out of the current situation and open in principle practicable paths, it would seem, for the stabilization and recovery of the economy. On the one hand the private sector, which had hitherto developed under the boathouse conditions of practically gratis credit, cheap imports and numerous government subsidies, has now been forced to ensure its efficiency by proceeding from the economy's actual possibilities. On the other, the refusal to grant a general increase in the nominal wage

(on condition of a halt to or a slowing of price rises) is to ensure the preservation of its purchasing power for the working people employed directly in production, without which maintaining productivity in the vitally important spheres of the economy (production of foodstuffs, other sectors of manufacturing industry and the export sector) is impossible.

However, as a whole, these measures led to reduced demand, which was inevitable and extremely painful for the majority of the population. People working in the so-called nonproductive sphere—teachers, doctors, civil servants, who have no sources of additional payments—proved the most vulnerable. In addition, the reform, having sharply reduced the amount of money in circulation, dealt a considerable blow to the informal sector, which was actually part of the Sandinistas' intentions. But there was an appreciable constriction hereby of the possibilities of "individual survival" for considerable numbers of the working people.

All this could not have failed to have been reflected in the sociopolitical situation in the country. The government very soon came up against clearly expressed anxiety among the most politicized part of its most ideologically reliable supporters—teachers and medical personnel—who demanded that they be given a minimum living wage.¹⁸ And, what was particularly important, the spokesmen for their interests were Sandinista-supporting union organizations—a fact which clearly testifies to the real nature of the democratization process described above. The representatives of industrial workers, who supported the government's abandonment of the centralized control of wages, have advocated a broadening of the unions' rights and their direct participation in the formulation of enterprise plans and profit distribution.¹⁹ The program of the liberalization of the economy was, on the whole, supported by the producers of the main export commodities and foodstuffs. On the other hand, the employers associated in the Confederation of the Private Sector opposed the reform, which was manifestly profitable to them economically and had incorporated the majority of their traditional demands. Aside from the entirely obvious primacy of the political interests of the bourgeoisie, this reaction evidently reflects its entirely justified anxiety also: the steps taken by the FSLN could in principle lead to a situation whereby the Sandinist state ceases to be responsible for all economic difficulties, and all the working people's economic demands will be addressed not to the government but to the employers themselves.

Just a month after the start of the economic reform the opposition attempted to take advantage of the current situation and test the strength of the Sandinist regime, organizing in (Nandaym) a demonstration demanding the formation of a "national salvation" government. And both the severity of the Sandinistas' reaction (the arrest of the most active participants in the demonstration, the temporary shutdown of opposition radio stations and newspapers, expulsion of the American ambassador) and, to a certain extent, the very proclamation of

the socialist nature of the Sandinist process on the ninth anniversary of the revolution testify that the new economic policy, while stabilizing the economic situation, is complicating the political situation. All this requires of the Sandinistas a search for nontraditional ways of the political mobilization of the people which would compensate for the inevitable dissatisfaction with the economic situation and make it possible to successfully confront the offensive of the church and the opposition parties.

In 1979 the Sandinistas led the Nicaraguan revolution to victory by the same path as the "16 July Movement," confirming all the main lessons provided by Cuba's experience. There was, it seemed, every reason to believe that the subsequent course of events in Nicaragua would also correspond to regularities deduced from the past, the more so in that world socialist development did not provide a great variety of alternatives. However, initially by force of circumstance and then by the political will of the leadership the Nicaraguan revolution proceeded along a particular path, putting forward its own versions of the solution of the basic problems born of backwardness and dependence.

The future will show whether the direction chosen by the FSLN is a practicable alternative to the path taken by the majority of socialist and socialistically oriented countries of the "third world"; whether this direction corresponds to the deep-lying regularities of the transitional period in the developing world; whether the choice made by the FSLN is the first harbinger of changes which are due in the understanding of these regularities or whether Nicaragua will remain an exception. At the same time certain conclusions may even now be drawn from the Nicaraguan experience.

First, the possibility in principle of the preservation and development of a democratic, pluralist system under the conditions of war and the most difficult economic situation has been shown. What is most important, in our view, is not so much the existence of opposition political parties as the attempts to democratize society from below, the adoption of decisions, economic included, given the consensus of the masses, consideration of their actual economic and political demands and the utmost stimulation of their initiative. True, it has to be said that this tendency is reversible. The greatest danger to its development is posed by the war: the longer it goes on, the more the formation of local and middle political leader personnel disposed toward authoritarian methods. The extremely low level of political culture of the masses and their passiveness and conformist attitude toward authority are contributing to this also.

Second, the Sandinistas have shown that strict centralization and the domination of war-communism methods in economic leadership are not an inevitability even in a civil war situation. The costs of the Nicaraguan economic system, which fails to provide essentially for administrative control of the distribution of extremely

limited resources, are obvious. Also obvious is the fact that individual blocks of the command-administrative system (in the form of departments' special interests) are taking shape, nonetheless, and the Sandinistas are aware, it would seem, of the existence of this danger. However, in 9 years the economy has not become the patrimony of the state, the proportion of the private sector therein (approximately 60 percent in agriculture and 50 percent in industry) remained practically unchanged following the nationalization of Somoza property and state enterprises are run mainly by economic methods.

Third, the stability of Nicaragua's economic development will largely depend on how successful the integration of the private sector in the transitional economy proves. As yet the mere fact of 9 years of coexistence has shown only the possibility of such integration, whereas a stable mechanism thereof has not yet been created. In all likelihood, long-term cooperation with the Sandinist authorities (in the event of the "contras" ceasing to be a real military-political alternative) is for the Nicaraguan bourgeoisie the sole acceptable version. This does not mean that it will confine its activity to the economy. Economic authority independent of the state will inevitably engender an aspiration to expand the political space allotted the bourgeoisie. In this situation the Sandinistas will be faced with the task of averting on the one hand the danger of the erosion of their authority (via corruption, degeneration of the personnel and so forth) and, on the other, a trend toward total statization, which would arise continually within their own ranks.

Footnotes

1. See BARRICADA, 20 July 1988.

2. At the same time the prerevolution level of the gross domestic product in 1983 was not restored, which was partially explained by the reduction in the price of Nicaraguan export commodities. Accordingly, there was a decline in per capita GDP also: from \$1,113 in 1977 to \$745 in 1983 (in 1980 constant prices).

3. A joint work of Latin American and American scholars emphasizes that "yet another socialist revolution developing in accordance with the model which presupposes a one-party system, general statization and affiliation to the Soviet bloc would have been very easily isolated, and no 'self-determination' would have succeeded in taking root in such a situation. Having evaluated entirely correctly the effectiveness of the Nicaraguan model as a modern alternative for the continent, where peasants and worker marginals are predominant, the Reagan government has openly made Nicaragua its ideological enemy" ("La transición difícil: La autodeterminación de los pequeños países periféricos," Managua, 1987, p 22). And although not only the effectiveness but also the feasibility of the Nicaraguan model have yet to be proven in practice, this line of reasoning would seem in principle correct and to confirm that it was by no

means only geopolitical considerations which were at the basis of the Reagan administration's implacability in respect of Sandinist Nicaragua.

4. BARRICADA, 20 July 1988.

5. According to Sandinist estimates, up to one-third of the peasants of the three zones of the country most affected by the war in 1983-1984 supported the contras.

6. The public sector's share of farming fell from 22 percent in 1985-1986 to 12 percent at the end of 1987 (BARRICADA, 2 January 1988).

7. The private sector's share of farming in Nicaragua amounted at the start of 1988 to 61 percent. The biggest reduction was sustained by manorial ownership (over 350 hectares), its share declining from 36 percent in 1978 to 9 percent in 1987. The share of the large entrepreneurial farms (from 140 to 380 hectares) has diminished somewhat (from 16 percent in 1978 to 12 percent in 1987). The share of the medium-sized farms, incorporating the bulk of the exporters (from 30 to 140 hectares), has remained unchanged—30 percent. The share of the peasant farms from 7 to 35 hectares has been halved—from 15 percent in 1978 to 7 percent in 1987. This has happened, evidently, owing to the movement of large masses of the peasantry from the areas of military operations to the city and, partially, thanks to the formation of cooperatives. The share of the small farms (less than 7 hectares) has remained unchanged also—at the 2-percent level. Various types of cooperatives currently possess 22 percent of the land, and 12 percent, as already said, belongs to the state; 5 percent of the land is in a state of neglect (BARRICADA, 2 January 1988).

8. V.I. Lenin, "Complete Works," vol 42, p 278.

9. Ibid., vol 45, p 383.

10. See "La transición difícil..." p 88.

11. See *ibid.*, pp 258-259.

12. See V.I. Lenin, "Complete Works," vol 45, pp 373, 376.

13. In order to maintain a constant volume of imports Nicaragua now has to produce twice as much as 10 years ago ("La transición difícil..." p 269).

14. See BARRICADA, 14 December 1987, 1 February 1988.

15. "La transición difícil..." pp 268-269.

16. Ibid., p 265.

17. See BARRICADA, Edición especial, 17 June 1988.

18. See BARRICADA, 19 June 1988.

19. See BARRICADA, 14 May 1988.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1989

Survey of International Events September-November 1988

U.S. Elections

18160006q

[Editorial report] Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, for January 1988 publishes on pages 97-115 the "International Review: Current Problems of World Politics (1 September-30 November 1988)." The survey includes three separate articles.

The first article is a 6,000-word article on pages 97-105 by V. Shamberg: "Elections in the United States: Staying the Course?" Shamberg states that the elections marked a "significant landmark" in American politics, the end of "a brief period of clear conservative domination." Noting the Democratic victory in Congress, he says this "is not less indicative, indeed is even more indicative, than the Presidential election," of relative political forces and voter attitudes. Although the Bush-Quayle ticket won 54

of the popular vote, a large margin by American standards, extremely low voter turnout meant that only 27

of eligible voters actually voted for them. Moreover, the Democrats accomplished the historically unusual feat of increasing their majorities in Congress while losing White House; Bush apparently had no "coattails." In passing, Shamberg also recommends study of the American Congress—in particular, its large number of lawyer-members, members' full-time status, and the very large and highly professional Congressional staff system—as an example for reorganizing the USSR Supreme Soviet. He notes that Americans had voted, not so much for "four more years" of Reaganism, as for a continuation of two-party control of the national government. The good economic conditions in the country favored both incumbents and the party (or parties) in power, whereas Democratic attempts to make social justice an issue failed to win over the middle-class majority. Shamberg notes statistics correlating higher incomes with both higher turnout rates and with tendency to vote Republican. The serious economic problem facing the United States—the budget and trade deficits, foreign indebtedness, the slow rise in labor productivity and falling competitiveness of American products overseas—are a threat to American living standards only in the long term and so did not significantly affect voting behavior. The other major factor favoring Bush was the Reagan Administration's foreign policy successes, especially the INF Treaty and the overall improvement in Soviet-American relations. Shamberg sees Dukakis as the first "post-liberal" Democratic presidential candidate. His

attempts to stress "competence" rather than "ideology" ultimately redounded to Bush's benefit. Bush's attempts to paint Dukakis as a "free-spending Massachusetts liberal" were more successful than Dukakis's own attempts to paint himself as a "competent manager to lead the country in a new direction." Noting that the Roosevelt Democratic coalition based on low-income voters, Shamberg argues that as most Americans entered the middle class after World War II, the middle-class majority now "makes up the Republican Party's mass base." This majority is more attracted to Republican promises of lower taxes than to traditional Democratic promises of new government programs. Furthermore, most Americans see the president's policies as having a direct effect on their living standards and are therefore especially likely to vote their pocketbooks in presidential elections. However, Shamberg notes, "the closer an election is to the local level the more important party strength becomes." He quotes Robert Samuelson's analysis that Americans prefer the Democrats as defenders of group interests, and therefore tend to elect Democratic Congresses; whereas they prefer Republican presidents to deal with "all-national" problems such as the economy and foreign policy. Shamberg notes that, of all the traditionally Democratic groups, only blacks firmly supported Dukakis. However, a substantial portion of the "Reagan Democrats" did vote Democratic in 1988. Geographically, the once-Democratic South has become a Republican bastion; however, the Democrats in 1988 showed new strength in the West and Midwest.

On the prospects for President Bush's policies, Shamberg notes his election slogan of continuity with Reagan policies. However, the budget deficit and Democratic control of Congress call into question Bush's ability to deliver on this promise. His promises of no tax increase and no cuts in defense or social programs have left him "without a mandate from the voters for any particular domestic policy." As for foreign policy, Shamberg notes that Bush took much "tougher" positions in the campaign than Dukakis; Shamberg however questions the practical significance of this, noting that Bush is the leader of the moderate wing of his party. In conclusion, Shamberg quotes the NEW YORK TIMES that "in the absence of a clear American long-term strategy, Moscow will set the diplomatic agenda." However, according to Shamberg, this agenda—"disarmament, the development of mutually advantageous cooperation and the improvement of Soviet-American relations, serves the interests of the Soviet and American peoples, and one hopes that it will become the Bush Administration's agenda as well."

Gorbachev's Meetings with West European Leaders

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[Editorial report] 18160006q Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, for January 1989 publishes on pages 105-110, as the second part of the "International

Review: Current Problems of World Politics (1 September-30 November 1988)," a 3,700-word article by V. Korovkin and A. Chervyakov entitled "USSR-Western Europe: New Prospects for Cooperation."

The authors first discuss the visit of FRG Chancellor Helmut Kohl to Moscow on 24-27 October. They note the importance of Soviet-West German relations, both in the foreign policies of the two countries and in European affairs overall. Kohl's visit was particularly important because it was the first Soviet-West German summit in over 5 years, and because of the large number of agreements signed during the visit, especially in the area of economic relations and joint ventures. They authors also note Kohl's and Gorbachev's discussions of arms control issues and the "All-European Process."

Next, the authors state, "the visit of the president of France to the USSR at the end of last year was awaited with great interest, in particular, because 1988 was remarkable from the point of view of the evolution of French military policy and was marked by certain changes in its approach to the problems of disarmament." Then discuss in detail President Mitterand's television speech to the French people immediately after his re-election. They say that Mitterand "repeated" Gaullist formulas on the necessity of an independent French nuclear deterrent aimed "in all directions." They profess to see in his speech indications that France now sees the main threat as emanating from the Near and Middle East. They then summarize the conditions Mitterand laid out for French participation in nuclear and conventional disarmament. They profess to see greater French support for disarmament than hitherto, due both to international pressure and to French economic problems. They note Mitterand's statements in favor of disarmament during his visit with Gorbachev. Nonetheless, they note that France is continuing its "ambitious" nuclear "buildup," and that French public opinion sees maintaining its own national nuclear deterrent as fundamental to France's place in the world.

In conclusion, the authors mention in passing Gorbachev's meeting with Italian Prime Minister de Mita, and state that all three West European leaders "are devoting greater attention to the Soviet concept of a 'common European home.'"

Prospects for Settlement in Southern Africa

18160006q

[Editorial report] 18160006q Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA publishes on pages 110-115, as part of the "International Review: Current Problems of World Politics (1 September 1988-30 November 1989)," a 3,700-word article by V. Avakov entitled "Southern Africa—A Settlement Is Possible."

Avakov describes in detail the diplomatic developments during 1987 and 1988 leading up to the signing of the four-party accords on the withdrawal of Cuban and South African troops from Angola and on the independence of Namibia. He explains the motivations the various parties had to reach agreement at that particular time, and stresses the problem of reaching agreement on the interconnection of the various questions. He highlights the role of the United States as intermediary. He concludes:

"Thus, in 1988 a positive movement was begun in one of the most complex and long-running international conflicts—in southern Africa. It is important to emphasize that the agreement achieved bears witness to the effectiveness, at least for the future, of a partial, gradual approach to settling this conflict altogether. The accords show that significant progress in this direction can be achieved even without eliminating the system of apartheid in South Africa. But, undoubtedly, the problem of liquidating this shameful system has in no way been removed from the agenda. On the contrary, world public opinion demands a further stepping-up of the struggle against it."

Book on Market Capitalism Offers Lessons for USSR

18160006j Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA in Russian No 1, Jan 89 pp 137-138

[S. Myasoyedov, V. Trepelkov review: "Monopoly Competition and the Socialist Economic Mechanism"]

[Text] The book before us* attracts attention primarily by its problem-solving nature and view of fundamental questions of Marxist-Leninist theory of social development. The author's definition of the aim of the work is "an all-around examination of the market mechanism under the conditions of present-day state-monopoly capitalism" (p 14).

However, the logic of the study takes the scholar further. In the final chapter the object of analysis are intersystem relations, improvement of the socialist economic mechanism, expansion of the USSR's foreign economic relations and our country's organic incorporation in the international division of labor. Of course, such goals are hardly attainable without in-depth theoretical study of the problems of intersystem relations and an interpretation of the positive experience of overseas contracting parties, the practice of competitive struggle and the market relations of present-day capitalism. From this viewpoint the author's move beyond the limits of the declared target framework undoubtedly contributes to the increased profundity and relevance of the study.

Structurally the monograph consists of five chapters. The first four are devoted to the study of the "architectonics" and a "stadial cut" of the capitalist economy in which each "stage" represents "not only the product of

scientific abstraction and necessary level in the cognition but also actual component of the objective reality of capitalism" (p 193). The author distinguishes three such "stage-levels": essential political economy categories; regularities of capitalist competition; practical management.

Thus the sum total of laws of an essential nature are made the basis of the analysis of the "upper cuts" of the capitalist economy and market relations in the entire diversity of their economic, technical, legal, social, information-ideological and other aspects. As the book observes, Marxist-Leninist political economy "switches to an analysis of the subsystem of market relations only after having determined which system of social and production relations it serves" (p 46).

Investigating the mechanism of the functioning of the market of present-day state-monopoly capitalism, the scholar puts forward his approach to such complex, arguable problems as the formation of monopoly prices, the effect of the law of average profit under the conditions of monopoly capitalism, the "coexistence" of monopoly and competition, the economic limits of concentration and monopolization and the role of use value in pricing. It provides an original classification of the types of intrasectoral monopoly competition and reveals the relationship between the development of intersectoral competition under the conditions of the domination of monopolies and diversification and conglomeration processes.

The author cogently shows that the division of present-day capitalist reproduction into two separate, albeit interconnected, segments—the monopolized and non-monopolized sectors—which is actively represented in domestic economic literature, is in conflict with reality. A single mechanism of monopoly competition—a stable and logical synthesis of monopoly and competition—is now coming to replace the mechanism of the interaction of the monopolies and free competition characteristic of the period when imperialism was coming into being. All groups of enterprises—large-scale, medium-sized and small—have been pulled into the orbit of the former. The analysis leads to the conclusion that the traditional division of prices into monopoly high (for the monopolized sector) and monopoly low (for outsiders) does not correspond to reality. "Monopoly imposes the price rise tendency on the whole economy," we read. "The reproduction of all social capital is essentially becoming monopoly-type reproduction" (p 90).

The regularities of monopoly competition form the circle of direct conditions in which modern capitalist enterprises are born, function and die. The general laws of capitalism are manifested at this level in the immense multitude of versions of firms' management of affairs and their seeming freedom of choice.

The ever increasing diversity of economic activity, the changing dynamics of supply and demand, the impact of the mechanism of state-monopoly regulation and the acceleration of S&T progress are forcing firms not only to keep a close watch on and react sensitively to changes in the situation but also to formulate this stereotype of financial, commercial and production activity or the other. Obviously, without study thereof investigation of the mechanism of capitalist competition would appear incomplete. At the same time, on the other hand, domestic literature on this set of problems suffers from extreme narrowness and incompleteness. While making the reservation that the management stereotypes in question "are not firm, universal rules by which every capitalist firm abides" (p 191), the scholar devotes the fourth chapter of the monologue to an investigation of them.

Examining problems of an improvement in the socialist economic mechanism and our country's foreign economic relations, the author expresses a number of interesting propositions concerning the theory of socialist ownership, the personification of social need and production possibilities, problems of commodity-money relations and an improvement in the organizational structure of the socialist economy. Both the elaboration of theoretical questions of intersystem economic relations now undoubtedly belonging among the most debatable questions and also practical recommendations pertaining to the adjustment of the foreign economic mechanism of the socialist society merit attention. "A qualitative analysis of the current state of intersystem economic relations," we read, "shows with a sufficient degree of reliability that the balance is not as yet tilting in favor of the socialist states.... A well-considered and bold strategy and a certain restructuring of operating methods on the world capitalist market are needed for a change in the situation. It is a question of not simply enhancing the efficiency of foreign economic relations with the West but of changing the very nature of these relations. The socialist state must act the part not only of seller and purchaser but also that of tradesman, banker and entrepreneur and possess the entire arsenal of weapons of the modern competitive struggle" (pp 253-254).

Concerning certain shortcomings of the work. In our view, they are caused largely by the limited size of the publication. The complexity and multifaceted nature of the set of problems examined make the exposition of a number of its aspects inevitably lapidary. At the same time a number of the questions which are touched on (the influence of the mechanism of state-monopoly regulation on monopoly reproduction and competition and the impact of internationalization processes on pricing and the formation of monopoly profit, for example) deserved more thorough and detailed analysis.

Not everywhere does the author's position appear sufficiently conclusive. This applies, specifically, to the criticism of the interpretation of the law of value as a "neutral representative" of the economic laws operating in different social and economic formations (p 239).

And one further point. Having made the basis of the analysis of the monopoly market "a hypothetical system in which intrasectoral competition is entirely precluded, that is, an economy consisting of full sectoral monopolies" (p 91), V. Shemyatenkov came very close to the formulation and elaboration of a very acute and urgent problem—the impact of monopolization on the functioning of the market under socialism. The need for this culminating "step" in the study ensues, in our opinion, both from the intrinsic logic of the work and its subject and title. The more so in that, to judge by everything, the phenomenon of full sectoral monopolization (relying in this case, of course, on a different economic basis) is not at the present time an exception for the socialist market. However, such an important "step" here is not taken.

Summing up all that has been said above, we would emphasize that the book in question is interesting and, what is most important, necessary.

Footnote

* V.G. Shemyatenko, "Mezhdru stikhiyey i planomernostyu (Kak "rabotayet" monopolisticheskaya konkurentsiya)" [Between Spontaneity and Plan Conformity (How Monopoly Competition 'Works')], Moscow, "Mysl", 1987, pp.270.

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"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1989

Blot-Wide Study of East-West Relations Reviewed
181600064 Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 1, Jan 89 pp 139-141

[Yu. Sireltsov review: "Prospects of the Interaction of the Two Systems"]

[Text] The monograph in question cannot, perhaps, be categorized as an ordinary publication. It definitely stands out. First, in that it is the result of many years of research by a large international group of authors; it includes scholars from Bulgaria, Hungary, the GDR, Mongolia, Poland, the Soviet Union and Czechoslovakia. It is a question of a study conducted within the framework of the "World Socialist System" study commission of multilateral scientific cooperation of the socialist countries' academies of sciences.

Second, the book marks a departure—in both design and execution—from the canons of the recent past. Even scholars, who by the nature of their occupations are "authorized" to dig up new knowledge, could not, in accordance with such guidelines, violate the "rules of the game". All the more was this not "recommended" in respect of the socialist community. These simple rules are commonly known: with "us" everything is normal, except, perhaps, for certain individual, local (and, for the most part, of a subjective nature) mistakes; with "them,"

the predominance of negative, crisis trends developing, what is more, on an objective basis and for this reason inevitably increasing (true, it should be noted that many Western monographs also were constructed "mirror-like" per analogous canons). The authors of the work in question took a different route: they attempted first to reveal the internal contradictions, problems and system-forming factors for East and West, analyzed the main directions of interaction in the "West-East" and "East-West" systems and in conclusion examined questions and prospects of cooperation between socialist and bourgeois states.

In this case the scholars—and such an approach is in keeping with the spirit of perestroika—manifestly avoid labels and simplistic definitions. The attempt to reveal the salient features of the new stage in the 40-year-plus history of relations between countries of the socialist community may serve as a typical example. Nor is there a hint of an endeavor to suggest some clichés for this stage. It is not a search for handsome definitions but ascertainment of the essence of the process which is observed. Is the current stage really a new one? And if so, why?

The particular features determining the fundamentally different quality of the current period are pointed out. The first is associated with the internal restructuring in the USSR and—via the dependence of foreign policy on domestic policy—with the arrival at such a priority direction of Soviet foreign policy as relations with the other socialist states. The new foreign policy thinking has afforded extensive additional opportunities for their dynamic development.

The second singularity is determined by the socialist countries' understanding which has matured (and been reached through suffering) that *only in unison*, only by way of the qualitative growth of the efficiency of the socialist division of labor (given the simultaneous *coordination* of the use of individual possibilities of incorporation in the world economy) is it possible to respond adequately to the challenges of the modern S&T revolution. Only in this way, and this was emphasized at the 27th CPSU Congress, as a result of dynamic and active interaction, is it possible to secure "the effect not simply of the addition but multiplication of our potentials."

Finally, the third feature is the need under the conditions of the realities of the nuclear age for a qualitatively different interaction of the fraternal countries and states, primarily in the political sphere, for the successful promotion of the new political thinking to the West.

At first sight the third feature is ensured automatically, as it were, in view of the community of ideology and fundamental class goals. Historical experience, however, teaches us differently: the practical coordination of national-state interests by virtue of the interaction of sovereign and independent states is the result of the constant and painstaking work of the fraternal parties

and countries. There simply cannot be leveling and "community" based on averaging. On the contrary, a growth of national self-awareness and the distinctiveness and diversity of socialism are observed in line with socioeconomic progress. For this reason, obviously, a correct understanding of one's own national interests and possibilities and their optimum combination with the interests of partners and allies is a far from simple task. But only in such an approach lies the key to success.

Diversity does not mean discreteness, just as unity has nothing in common with uniformity. Unity based on a clear recognition of the relationship and interpenetration of the common and national-state interests of the socialist community countries.

All this signifies a need for an attentive and respectful attitude toward the experience and searchings of each of them, as, equally, the creation of conditions for a narrowing of the field for possible manifestations of subjectivism and voluntarism.

The authors of the work refrain from specific forecasts of the development of the trends which have come to light at this stage: it is a question of the very start of the new stage of interaction of the socialist states, and for this reason predicting the pace and forms of the manifestation of the trends which have emerged is as yet difficult (p 28).

The degree and forms of political cooperation of the fraternal countries and the level of socialist integration, while important in themselves, acquire even greater significance as a factor of the development of East-West relations. They are essentially a prerequisite and necessary condition of the development of the cooperation of the two systems. At the same time socialist integration is an essential condition of the protection of the economy of the states of the community against the impact of both the negative phenomena of the world capitalist market and the consequences of a variety of "differentiated" actions.

The scholars conclude that our countries are capable of maintaining economic stability, despite the attempts of the Western powers to restrict cooperation with the East as a whole or with individual socialist states. Losses from such restrictions are sustained by both parties (although the negative consequences are reflected to a greater extent on the economically weaker partners, of course). However, as the experience of postwar interaction of West and East has shown, the level of the economic invulnerability of the socialist countries and their capacity for resisting spontaneous changes in external conditions are quite high (p 141).

A spirit of economic and political confrontation is now not only disadvantageous from the viewpoint of commonsense but also extremely dangerous. And whereas two decades ago the conclusion was drawn concerning

the absence of a rational alternative to peaceful coexistence, today, under the conditions of the exacerbation of the problems threatening the survival of both West and East, there is every reason to speak of the absence of a rational alternative to the rivals' political, economic and S&T cooperation and complementary vigorous interaction in all other spheres of security—ecological, cultural and humanitarian. A new, higher and stable phase of detente and, ultimately, an all-embracing system of international security—such, in the opinion of the group of scholars of the socialist countries, are an imperative of the current stage of world development. The East has understood this, and the new political thinking has in the socialist community countries been brought to the level of official policy. It is up to the West.

As a whole, the monograph makes a good impression and provides a fuller and more profound idea of the complex phenomena and processes which are studied. It examines the basic factors and trends of contemporary world development under whose influence East-West relations are being shaped; analyzes problems of the cooperation of the socialist countries among themselves and with Western states; and reveals the prospects of the likely development of intersystem relations by the frontier of the 1980's-1990's.

The reader will possibly, however, feel dissatisfied that in respect of certain important questions the authors either confine themselves to patten or bypass them altogether.

In fact, an important result of a study of West-East relations should be determination of balance sheets of their concurrent and parallel (general and specific) interests. It is essential for this to go beyond the framework of a comparison of interests per the canonical, customary "they" about "us" and about themselves and "we" about them, but, as a rule, not about ourselves pattern. This is a very difficult task, the more so in that for both parties it is necessary to distinguish between declarative (propaganda) and actual interests.

A careful evaluation of the actual balance sheets of general and specific interests of a long-term nature would evidently make it possible to provide a more precise idea of the prospects of the development of intersystem relations. It is necessary only to overstep self-censorship and move toward a serious scientific study of "oneself".

Adjoining this subject is the question of differentiated policy, but not of Western states in respect of the socialist countries but the reverse. Does such a thing exist or not? If the latter have specific interests, there should also be (particularly under detente conditions), evidently, differentiated policy reflecting such interests. We observe it in actual international life. But we make virtually no mention of this—"not the done thing"....

And one further observation: since the war the West has, as the authors rightly emphasize, trodden a path from the "ideologization" of international life to its "de-ideologization" and, finally, its "re-ideologization" (pp 108-110). But the evolution of the East's approach to international relations (in terms of outward manifestations, at least) was, it would seem, analogous also: from "ideologization" to "de-ideologization". Is there a similarity? Differences? In form or in essence? Answers to these questions would have caught the reader's attention.

The new political thinking is affording an opportunity for posing questions which even yesterday were considered "seditious" and for answering them. It is already recognized that in deftly avoiding this we are creating problems which have to be solved, for all that. But at what price?!

I would like to hope that the new group monograph of authoritative international affairs specialists of the seven countries will make it possible to advance further along the path of "self-cognition" of the socialist community and its expanding interaction with Western states.

Footnote

* "Sotsialisticheskoye sodruzhestvo i problemy otnosheniy Vostok-Zapad v 80-e gody" [The Socialist Community and Problems of East-West Relations in the 1980's], Moscow, Izdatelstvo politicheskoy literatury, 1987, pp296.

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Book on U.S. Electoral System Reviewed
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MEZHDUNARODNYYE OTNOSHENIYA in Russian
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[Yu. Oleshchuk review: "Electoral System in the United States"]

[Text] Now, when there is such increased interest in our country in social science problems, familiarization with the electoral system in the United States as "presented" by the Americans themselves will probably be useful not just for people dealing specially with this country.

The electoral system is a foundation of the U.S. political system. And it as yet serves it reliably. Contrary to the propaganda stereotype which is still current in our country, it does not simply create an illusion of democracy. To a certain extent it also provides for such—to the extent that it enables this system to adapt in one way or another to the changing historical situation. The electoral system ensures the replaceability in office of political parties and forces—as their policy ceases to be fruitful or as retribution for lack of success. It also guarantees a particular degree of society's influence on the authorities—sufficient, in any event, to maintain

among considerable numbers of it a belief in democracy. Generally, for the American bourgeoisie the electoral system represents a value whose significance cannot be overestimated. And throughout the country's history this institution has undergone continuous polishing, honing and improvement in order to enhance its efficiency as a mechanism ensuring the dynamism of policy and the attractiveness of the social arrangement.

The authors of the book in question, "Elections American Style," with a captiousness which some of our critics of practices in the United States would envy, seek out defects of the electoral statutes and practice and propose means of rectification. This is, incidentally, the customary style of American political science. What attracts the authors' critical attention? A great deal.

J. Reichley, a scholar at the Brookings Institution, for example, believes that the election of the president by indirect vote (via the Electoral College) is undemocratic. The widespread notion that the voting in this college mechanically reflects the result of the presidential election and is for this reason some incomprehensible "insertion" in the process is wrong. In some cases the college may adjust what takes place. Thus if in 1976 G. Ford had obtained 9,000 more votes in Ohio and Hawaii, he would have won the election (the electors from these two states would have had to have voted for him), although countrywide J. Carter had a preponderance of almost 1.5 million votes over his rival (p 17).

At the same time, if the Electoral College were to be abolished—which, it would seem, it needs to be—there could be a decline in the already low voter turnout at the elections. After all, it is thanks to the possible "election distortion effect" by the college that an additional number of voters who would otherwise stay home takes part in the voting. In voting for the less likely winner, these voters count on his gaining the upper hand thanks to the college. If it were to be eliminated, however, such hopes would disappear, and those who preferred the "nonfavorite" would not go to the polls, considering it pointless. The proportion of those voting would then diminish, in J. Reichley's opinion, to 30 percent—and this would mean a decline in the authority of the elections as a means of the expression of society's wishes and, correspondingly, a fall in the prestige of the government formed following such elections.

(Drh. Sizar), specialist from the University of Virginia, is involved in ascertaining imperfections of the nominating process—selection and confirmation of the presidential candidates from both the main parties. This process has long been the talk of the town, so muddled and complicated is it. The longer it goes on, the more complicated things become. The scholar does not stint on harsh words to express his exasperation at this entire complexity.

If the nominating procedure, he writes, "persists in the forms in which it existed in the last century—forms which have almost guaranteed its instability—this could jeopardize the entire political system" (p 29).

The scholar numbers dozens of shortcomings. We shall cite just some of them. The nominating process is so long and enervating that it is open not only to the fittest but to those with the most time and money. Following the 1974 election reform (when the two parties reduced the role of the party machinery in the primaries and enhanced the role of the common voter), figures not enjoying the support of the party "establishment" have come to have themselves adopted as candidates, which subsequently creates a split between the president and the party (as was the case with J. Carter, who enjoyed during his presidency very weak support in the party machinery). The increased role of the common voter in the primaries, the author believes, has further led to the victory not of the best-qualified contenders but those who have known best how to appeal to the general public. As a result there is the increased risk of politically incidental figures unprepared for official activity ending up in the White House.

Like J. Reichley, (Drh. Sizar) is not very clear about what needs to be done to rectify the shortcomings. Both, incidentally, evidently do not consider the advancement of constructive proposals their paramount obligation. It is sufficient that the public's attention be drawn to the problems and that the work of social thought be given a boost. And American political science considers this its important function. Within the framework of the ideas to which we are accustomed such a position might seem almost irresponsible, but American social scientists believe that they also are doing good in this way.

Employer of the WALL STREET JOURNAL, A. Hunt examines in the book the role of the media in presidential campaigns. He constantly makes the reservation that determining this role in any way accurately is inconceivable. And this is not surprising. There are instances testifying that the media play virtually the decisive part in the election process: we recall how the press destroyed Sen G. Hart, dragging his love life into the open, after which all his hopes of becoming the candidate collapsed. But there are also instances of that same press being powerless to create a positive "image" for this figure or the other, however hard it tries. The author cites the press' exceptionally active publicity at the 1984 elections for Sen J. Glenn, who, however, was unable to win the nomination. Nor did the media help E. Kennedy in his fight with J. Carter in 1980 (p 54).

Evaluating the role of the media in some way unambiguously is very likely altogether impossible. But I would like to call attention to one aspect to which insufficient attention is still paid in our scholarly and political-current affairs literature and which, it would seem, provides a certain clue to the correct approach—the level of the American voter. Contrary to the stereotype which

has taken shape in our country, he is, as a rule, by no means a naive individual who is duped at will. The average voter has his scale of values by means of which he determines his attitude toward the candidates and contenders (the morality of the contestants for the presidency occupies a very high place, before qualifications, on this scale of values). He treats with sufficient skepticism the variety of free-wheeling promises and is pretty good at spotting demagoguery.... In a word, he is not that easily fooled. And the media would most likely fail were they to attempt to "fashion" the image of a politician as they saw fit. The same E. Kennedy serves as an example. After he had come under suspicion of impropriety (in connection with his behavior in a well-known episode involving an automobile accident), no advertising of his liberal views and no attribution to him of the image of "friend of the common man" helped. A. Hunt for this reason writes that the media create public opinion in connection with this figure or the other not so much directly, assessing him, as indirectly, reporting, say, that for a certain contender things are going badly, he is short of money, voter support is flagging and so forth. Such a figure's potential supporters then conclude that there is no point supporting him, and his election campaign begins to sputter.

W. (Bernikhem) of MIT examines a problem causing American politicians and scholars acute anxiety—the electorate's inadequate participation in elections. This is considered in the United States a major threat to the American political system. Both because mass "exclusion" could be a step on the way to the "excluded's" opposition to the system. And because persons elected by a minority lack the authority afforded by election by a majority. According to the author's calculations, approximately 38 percent of Americans vote regularly, and 17 percent vote when something out of the ordinary is taking place, but it is altogether impossible enticing to the polls 45 percent (p 98). And the tendency, moreover, is for the proportion of nonvoters to gradually increase, and of voters, to decline (p 123).

W. (Bernikhem) sees two reasons for this tendency. The first is the lessening of the differences between the parties. The second is the growing "exclusion" of the have-nots (the greatest percentage of nonvoters is among farm workers, one of the lowest-income detachments of working people, and the unemployed). As a result (the United States, as the scholar puts it, is turning into some "uncontrolled state" in which increasingly less significance is attached to the party struggle inasmuch as it is ignored by almost half the population. As the scholar believes, no measures can alter this situation. It may improve only when the "collective will" of various groups of the population is distinctly determined—via parties or some other channels—on the political scene. In his opinion, it is the present situation (both parties relying on a broad conglomerate of social groups and operating with platforms containing "something for all") which is killing off many Americans' interest in elections.

We would note in conclusion the section on electoral corruption written by L. Sabato, a political scientist from the University of Virginia. The problem of corruption has, thanks to the efforts of our current affairs writing, frequently appeared to the reader in a somewhat false, coarse form. Under the conditions of the most watchful illustration of all that is going on in the political sphere by the media, which are nearly always involved in ex-right espionage against politicians and the finding out of everything about them, bribes and a variety of machinations exist in concealed, ostensibly legitimate form. An example: some American senators dine regularly with representatives of PAC's (these committees are involved in the lawful promotion of group, organization and corporate interests in Congress and the local authorities, help the election of this candidate or the other and so forth) on the "understanding" that the committees will donate money for their reelection. This, specifically, was how Democratic senator L. Bentsen operated in 1987. However, after reports of this had filtered into the press, he had to return the money which he had received. Other senators who have acquired money similarly have not, however, returned it, maintaining that they were doing nothing reprehensible—although it is understood that "political gratitude" for the donations is implied, which is corruption (p 155).

Like many of his colleagues, L. Sabato attempts to find ways of rectifying the situation—he proposes that campaigns for the election of members of Congress be financed by the government, and not by means of donations; that the rules saying that the sources of the donations must be made public by all candidates for elective office be tightened even further (pp 171-175).

It is customary to evaluate books like the one in question as showing the depth and complexity of the contradictions and difficulties of capitalism. Both, as its content attests, exist, but in this case I would like to mention another aspect also—the relatively high level of social self-cognition embodied in this work. It does capitalism a pretty good service, making it possible to spot faults and defects of the political system and opportunely embark on their rectification within the limits of what is permitted by the fundamental interests of the ruling class. This constant adjustment and readjustment is a factor which needs to be considered when we ask ourselves: why is the capitalist system demonstrating a viability at variance with the dogmatic ideas concerning its potential?

Footnote

* Edited by A. James Reichley, Washington, 1987, ppXII+291.

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News of Institute Activities

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MEZHDUNARODNYE OTNOSHENIYA in Russian
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[Text] Alois Mock, vice chancellor and foreign minister of the Austrian Republic, in our country on an official visit at the invitation of the Soviet Government, visited the institute. The high guest had a meeting with IMEMO deputy directors O.N. Bykov and V.A. Martynov, corresponding members of the USSR Academy of Sciences. In the course of the discussion there was an exchange of opinions concerning, specifically, the various directions and possibilities of the development of creative ties and interaction between scholars and public figures of both countries in the struggle for peace and the strengthening of security and cooperation in Europe and also globally.

A. Mock expounded to a research group of the institute's staff his views on the present state and prospects of the development of relations between the two states and peoples in the light of the current problems and tasks of European and world politics. In his opinion, there are at the present time many good opportunities for the further expansion and intensification of these traditionally friendly relations—guided by the new thinking. The reforms in the USSR in the perestroika process are revealing new, propitious prospects for the development of bilateral trade and economic relations and S&T cooperation, in which Austria is interested. The broadening of contacts should be the two countries' specific contribution, A. Mock emphasized, to the business of an improvement in the international-political climate in Europe and in the world as a whole.

Meetings were held in the MEMO editorial office between Chief Editor G.G. Diligenskiy, doctor of historical sciences, and deputy chief editors I.S. Tselishchev, candidate of economic sciences, and S.V. Chugrov, candidate of historical sciences, and representatives of the American Bureau of National Affairs (BNA) information and publishing firm—Vice President (Kh. Yarrington) and editor S. Hersh.

The BNA is a well-known firm specializing in the field of information for business circles, scientists and the general public on economic, legal and social issues and the activity of the administration and Congress. The company is represented in the fields of publishing, "electronic information" involving the use of its own data banks, special film products, the organization of symposia and conferences and so forth.

Discussion of a program of cooperation between MEMO and the BNA begun this summer in Washington was continued in the course of the conversations. The parties reached final agreement on the publication in the United States in English of a digest of the best articles and material of the journal of recent years entitled "Perestroika of Thinking. World Economics and Politics Through the Eyes of Soviet Scholars". The agreement on publication of this book was signed between the All-Union Copyright Agency, MEMO and the BNA. It is anticipated that the digest will be made available to readers not only of the United States but also West European and Asian countries also. The well-known American publishers Wiley and Sons are also a partner in the publication.

There was preliminary study of possible directions of further cooperation: the preparation of regular digests of annotations of articles and material of the journal, their incorporation in the BNA's data banks, the regular periodical publication in the United States of digests of MEMO articles, bilateral exchange of material for publication and so forth.

The BNA delegation was received by Academician Ye.M. Primakov, director of the USSR Academy of Sciences IMEMO.

(Kh. Yarrington) and S. Hersh visited the International Scientific and Technical Information Center and the "Tsentrnauchfilm" studio. They also met the management of the Documentary Film Studio.

To conclude the visit the delegation made a trip to Tallinn.

Contacts between the parties will continue.

K. Linden (director) and Y. Kim (deputy director), leaders of the Institute of Chinese and Soviet Studies at G. Washington University (United States), were guests of the IMEMO. In the course of the discussion with staff of the Pacific Studies Department the guests gained a

detailed idea of the fields of their Soviet colleagues' research, the changes in the work of our scholars and specialists brought about by the general atmosphere of revolutionary restructuring in the country and current and long-term tasks. The American scholars, for their part, described the nature and problems of the research activity of the organization they represent. There was an exchange of opinions on a number of problems of the Asia-Pacific region and ways and means of the concerted solution of the contradictions and conflicts which exist here. The importance and urgency of a strengthening of bilateral scientific and creative contacts and interaction were noted.

Heinz Timmermann, employee of the Federal Institute of East European and International Problems (Cologne, FRG), was a guest of the USSR Academy of Sciences IMEMO. In the course of a meeting with leading specialists of the Department of Social and Domestic Policy Problems of Developed Capitalist Countries he was notified in detail about the main areas of R&D being performed by this important subdivision of the IMEMO and the successes and difficulties observed here. Two key questions were of interest to the guest primarily: how the reorientation of Soviet foreign policy in respect of West Europe was proceeding and also what the evaluation of the economic relations of the USSR and the FRG was. Having obtained exhaustive answers, H. Timmermann observed that the FRG had a great interest in positive results of the political and economic restructuring in the Soviet Union: economic interaction between the two countries would be successful only if the necessary correspondence of their economic development levels were achieved. According to him, the SPD particularly is greatly interested in the revision currently under way in the USSR of the long-standing negative assessments of a political nature and the role of Western social democracy and the state. Whereas previously, the scholar said, merely the problem of ensuring peace and disarmament was a common problem for us, now questions of the correlation of the state and the market, the economy and the ecology and so forth are moving to the forefront here. Whence there naturally ensues the need for the improvement and development of cooperation between the two countries' social scientists and their mutual understanding.

Candidate of Philosophical Sciences Guenther Baumgart, chief editor of the journal GESELLSCHAFTS WISSENSCHAFTLICHE BEITRAEGE (GDR), visited the MEMO editorial office. This press organ publishes in German translation articles and reviews of Soviet authors from our leading scholarly publications, from MEMO included. The guest met and had a discussion with Candidate of Economic Sciences I.S. Tselishchev, deputy chief editor of MEMO, in the course of which the parties exchanged information on their current activity and discussed a number of current problems and tasks of a nature common to both of them and possibilities and ways of expanding and improving interaction.

Interest in the activity of the USSR Academy of Sciences IMEMO was displayed by a delegation of the Movement of Japanese Photographers for a World Without Nuclear Weapons headed by its chairman, Shigeo Hayashi, which was in the Soviet Union at the invitation of the Soviet Committee for the Defense of Peace. In the course of a meeting and discussion with staff of the Pacific Studies Department the guests inquired about the current features of perestroika in the USSR and its achievements and problems. S. Hayashi expressed his sense of satisfaction in connection with the policy of glasnost being pursued in our country, emphasizing here that auspicious new prospects are now opening up for the development of the relations and extensive contacts of representatives of the Soviet and Japanese public. A whole group of questions put by members of the delegation concerned problems of removal of the consequences of the accident at the AES in Chernobyl and the influence which this event exerted on the public consciousness. Having evaluated positively the return of Soviet troops from Afghanistan, the guests requested that this process, exceptionally important for the strengthening of peace and security in Asia, be described more comprehensively and in greater detail. The discussion took place in a friendly, frank atmosphere.

Riyad Nazim, correspondent of the Lebanese journal AR NAHAR, visited the institute. He displayed interest in the research activity of the IMEMO workforce and raised a number of questions concerning certain amplifications of an understanding of Soviet rules of law regulating the creation of joint ventures on USSR territory, specifically with reference to the possibilities of the use of Arab capital.

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Soviet-American Conference Views Trade Prospects

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[M. Belyayev report: "We Are Getting To Know One Another"]

[Text]

Meetings between the American International Leaders Center and the USSR Youth Organizations Committee are traditional. The latest seminar under the motto "View of the World" was held in the resort township of Steamboat Springs (Colorado). Representatives of business and scientific circles, employees of foreign economic departments, specialists in the field of the ecology, ideology and law and journalists of the two countries had an opportunity to exchange opinions on the most urgent problems of the present day.

M. Belyayev, head of a department of the MEMO journal, took part in the seminar as cochairman of the "Problems of Bilateral Trade" group.

American companies, specialists from the United States noted, are in principle displaying great interest in the Soviet market, but many of them are operating with extreme caution, having taken up a kind of wait-and-see position. This is explained to a considerable extent by the negative stereotypes concerning transactions on the Soviet market which have taken shape and a certain distrust of partners from the USSR. In this connection the American specialists called attention to the fact that it was so important to inform one another of the economic position of the two countries and the main trends of their economic development. They emphasized that actual steps along the path of economic transformations in the Soviet Union are for American businessmen the best proof of the partner's reliability and long-term nature and break down the barriers of mistrust better than any words and assurances. The impression now is that the majority of American firms is confident of the irreversibility of the economic reforms in the USSR, and this is engendering optimism concerning the future of bilateral relations.

At the same time American experts called attention also to negative phenomena in the Soviet economy, which are preventing economic relations gathering the proper pace.

It is a question primarily of product quality and the insufficient competence of a number of executives moving onto the foreign market. Businessmen who are accustomed to deciding questions rapidly and precisely do not like the undeveloped negotiating procedure, the protracted timescale of negotiations and the impossibility of obtaining the necessary information about the Soviet market. And whereas for large corporations this is merely an "inconvenience," for small firms the time factor is frequently decisive. Also burdensome for many of them is the financial expenditure connected with lengthy negotiations, whose outcome is, moreover, not always clear. For this reason many representatives of small business are not venturing to strike up contacts with Soviet businessmen, although are very interested in market expansion. Yet they are often the exponents of knowhow in the sphere of high technology and are prepared to cooperate on terms which are highly advantageous to us.

Unfortunately, the American side sees no possibility of the abolition in the immediate future of the CoCom lists, which are under the jurisdiction of the Defense Department, and the Jackson-Vanik Amendment. At the same time, American experts believe, the problem is partly soluble in nontraditional ways. It is primarily a question of small firms, which it is contemplated exempting from the effect of the CoCom lists. The establishment of relations at state level could be a kind of flanking maneuver also. Direct relations with the states would make it possible to solve many questions more promptly

and efficiently. The American experts recommended that special attention be given such contacts in connection also with the fact that direct regulation of foreign economic activity is increasingly dropping down to state level.

(S. Kuik), chief economist of the U.S. Congress' Joint Economic Committee, examined the possibilities of bilateral economic relations through the prism of U.S. economic problems. He distinguished primarily the sizable federal budget and foreign payments imbalances. The borrowing to which the United States has resorted recently is by no means the best way out of the situation, not to mention the fact that such a situation cannot go on indefinitely.

The federal budget problem, he observed, could in principle be alleviated by a spurring of economic growth. But people are simply afraid to stimulate the economy currently lest it provoke a crisis: after all, the present upturn has been unusually long—6 years.

Such are the "domestic economic" difficulties, which are theoretically being overcome by way of a stimulation of foreign transactions. But the foreign trade problems themselves are no less acute. The U.S. trade deficit has assumed disquieting proportions. A decline in demand in the United States and, correspondingly, a reduction in imports are unlikely. Consequently, it is necessary to speed up exports. But this is very difficult: after all, everyone wants to sell. It is a good thing, (S. Kuik) continued, that China has not as yet planned an export boom. This was a joke, of course, but one with a meaning. In importing excessively in the past the United States cranked up the economy of other countries. Hardly anyone is prepared to perform such a role under present conditions.

"How, then, to break onto the foreign market?" (S. Kuik) asks. For convenience of analysis he proposed study of three types of potential partners: the developed capitalist countries, the developing world and countries with a nonmarket economy.

In West Europe the key country is the FRG, but there is practically no economic growth there. A kind of "prosperity" for itself is observed. The United States is attempting to influence the FRG and prompt it to stimulate the economy, but without success as yet. The Common Market is locked into itself.

The Japanese economy is dynamic, but the country imports little, and then mainly from its own region. The United States' share is small, and for this reason there is scant potential here for a reduction in the American trade deficit. In other words, reliance on partners in these states will hardly result in appreciable benefits for the United States.

A high rate of growth is observed in "third world" countries as a whole. But their economy and foreign economic relations in particular are shackled by debt. They themselves are bursting onto foreign markets, importing only the essential minimum.

In this situation the American side sees as an important part of business relations ties to the USSR and other socialist countries. However, (S. Kuik) observed, the "potential" development of relations alone is not enough. The readiness of the American side to sell and of the Soviet side to buy is being held back primarily by the strained convertible currency situation. (S. Kuik) believes that the problem would easily be solved if there were a recourse to borrowing and cites the examples of countries which have pursued a policy of industrialization or the modernization of industry. The heart of the matter is simple. Technology has to be paid for, and if there is no currency, credit will help. Such a transaction is profitable to both sides: the Soviet Union obtains advanced technology, the United States balances its payments.

But the plan, which is elementary in theory, (S. Kuik) observed, is not that easy to transfer to a practical plane. The point being that the Soviet Union prefers not to enlarge its foreign debt (the more so in that the example of Mexico, Brazil and others before one's very eyes is by no means inspiring). And neither in the United States is everyone interested in strengthening the Soviet economy and, accordingly, granting credit.

Nonetheless, the American economist believes, the Soviet Union needs to be more dynamically involved in international economic turnover: after all, progressive economic changes also would be more rapid under the direct impact of a competitive economy. The USSR, for example, has traditionally been active in the international credit sphere, and this is a good example of how it needs to act in other fields also.

The question of participation in international organizations is important. In principle this is essential. But the mechanism of many of them is oriented toward countries with a market economy. For example, even Japan with its system of state regulation experiences certain difficulties when participating in the GATT.

An expert appraisal, more precisely, American business people's view of our economy and the prospects of bilateral economic relations was presented by J. Griffin, president of the American-Soviet Trade and Economic Council (ASTEC).

In his opinion, it is necessary before approaching a solution of problems of bilateral relations to get a clear idea of one's partners' positions. The overall amount of Soviet-American foreign trade is modest. A turnover of approximately \$2.7 billion, and supplies of American grain to the USSR account for the lion's share, what is more. The remaining amount is "apportioned" roughly

evenly between the parties. But mechanical engineering products constitute a very negligible proportion. The task of the ASTEC is to expand bilateral trade and promote its development. But for this it is necessary to know what obstacles stand in the way.

We would note primarily that the tradesmen are bound, as it were, by political bonds. Did they not exist, the trade volume could amount to \$15 billion. It is gratifying that a certain mutual understanding has already been reached on many items.

American legislation in the sphere of control of high technology transfers to the Soviet Union is holding back the development of relations also. The interpretation is categorical: "If the USSR is not a friendly country, the transfer is, consequently, prohibited." Removal of the Jackson-Vanik Amendment is hardly to be expected either.

We would note also certain "secondary," but important points. Thus the shareholders of a number of American firms do not approve of relations with the USSR, and for this reason many industrialists are in no hurry to speed up bilateral contacts and consent to them only in the event of exceptional profitability. As an illustration, J. Griffin offered the following example. Let us assume that the Ford Motor company has earnings of \$60 billion and that only 5 percent of the purchasers of its products, disapproving of relations with the Soviet Union, "switch" to another corporation. Ford loses \$3 billion. And this is more than all of Soviet-American trade. The cautiousness of American businessmen in such a situation is, I believe, understandable.

J. Griffin considers an important obstacle to the development of bilateral relations the bureaucratic mechanism of the management of Soviet foreign economic relations—inflexible and complicated. And if we add to this the problem of the quality of the goods...

Difficulties are created also by the lack of information and the most elementary references. Incompetent officials are encountered also, it being very difficult to deal with them. Comprehensive information and prompt communications are needed. This would threaten no one, yet their absence does irreparable damage. The partner's trust and his confidence that the undertaking is important to both parties perform an essential role given today's competition. American business people frequently get an impression of their Soviet partners' lack of concern and seriousness. They, for their part, prepare for each meeting thoroughly, down to the translation of their documents into Russian, and expect a similar level of preparation from their future partner.

J. Griffin expounded his view of the problem of joint ventures. From the viewpoint of the Soviet economy the interest is understandable: it is possible in this way to obtain technology and imitate management methods;

substitute for imports (grain particularly) with national production; economize on currency; attract capital investments; develop economic relations with the West.

And what are the advantages for the West? The usual reply is: raw material, manpower. But this is significant if the product is intended for export. In the present situation, however, when everyone wishes to sell, American companies are endeavoring to conquer the Soviet market. They see here potential for an expansion of foreign trade transactions. They could perfectly well, however, export the products to third countries—and they even consider this preferable—with the conquest of "springboards". The very legislation governing joint ventures is unclear also—the wording, by which it is hard to be guided, is too general. But it is at least flexible. Let us hope, J. Griffin observed, that its further elaboration will not be long in coming.

It was decided, given the direct assistance of the ASTEC, to create a "strike" group of American corporations and link them with Soviet enterprises in the most priority sectors. In the agrarian sector (it is criminal, my partner said, to waste billions on grain purchases when China, for example, has in 3 years changed from an importer of farm products to an exporter) Nabisco will participate from the American side; in power engineering, Chevron; transport engineering, Ford; health care, Johnson & Johnson and Eastman Kodak; and so forth.

Speaking of Soviet foreign economic relations, J. Griffin emphasized the importance of strict compliance with the developed and practically tested "algorithm" of inclusion in the system of the international division of labor. Everyone admires, for example, Japan's successes on the world market. The quality of this country's goods goes without saying. But it was a different situation even in the 1950's. Subsequently, the products were radically improved, and advertising, on which no money was spared, erased the image of the "bad Jap". Advertising in international commerce is by no means a secondary business. Economies are inappropriate here.

Tremendous significance is attached to marketing and the single-minded breakthrough onto markets. For example, Japan initially determined which commodities and of what quality would "move" (automobiles, for instance) and created just such a model. And then spent hundreds of millions of dollars extra on advertising and the "pushing" of the commodity.

You, J. Griffin developed his idea, are operating differently. First you produce something and then attempt to sell it with the minimum of advertising. The pattern, however, is quite particular—the more money you spend on promoting your commodities, the greater the sales and, accordingly, profits (coefficients have even been calculated for each sector).

J. Griffin links an understanding of the new tasks with the personnel problem. Only professionals can hope for success under current conditions. Overseas practice for people to have a real idea of the level of the demands made on this category of employee or the other would seem useful in this connection. It is a question not only of the training of, say, managers with the appropriate qualifications and breadth of thinking but workers also. The first steps have already been taken here, it is true. Thus many of those who will work at the plant in Gorkiy which is being built with the assistance of the Ford company will undergo industrial practice at the corporation's enterprises in the United States.

The position of those directly involved in the establishment of economic relations between our countries would seem interesting. S. (Blekin), president of Potomac Group International (Washington), a trading company handling American firms' brokerage and consultation operations with the socialist countries, the Soviet Union included, believes that the USSR market is very difficult and unusual for U.S. companies. The lengthy negotiating procedure, which sometimes ends in a refusal without any visible reason or explanations from the Soviet side, discourages American firms and creates in them a perception of the unreliability of the situation. Businessmen are accustomed to deciding questions promptly; the Soviet side, however, operates limply, waits for the partner to take the initiative and is inclined to drag out the negotiations and make documents unduly detailed. Difficulties are caused by a certain divergence between the law and practice and the dependence on "custom," on the decisions even of a specific official, who is dealing with this question or the other, but who does not always have a direct interest in its solution. All this is holding the businessmen back, even those who are in principle interested in the development of contacts.

Of course, the positions of the American side are in need of critical interpretation. Some things are exaggerated, and something is left of past times. But much of what merits the most attentive attitude has been grasped also. The more so in that neither did the American side conceal its difficulties, which need to be eliminated and surmounted on the path of the development of contacts.

Since it is a question of bilateral relations and of a desire to develop them, it is not inappropriate to heed the partner's opinion. The more so in that the discussion was, as a whole, businesslike and respectful. Viewpoints were formulated without reticence, entirely candidly. Such meetings undoubtedly contribute to mutual understanding and, consequently, the development of relations.

At one session M. Michaels, an official of the U.S. Commerce Department, said, not without self-criticism and apologetically, as it were: "We Americans love to teach...." Well, teaching is always useful, particularly when the second party displays a desire to learn certain lessons for himself.

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